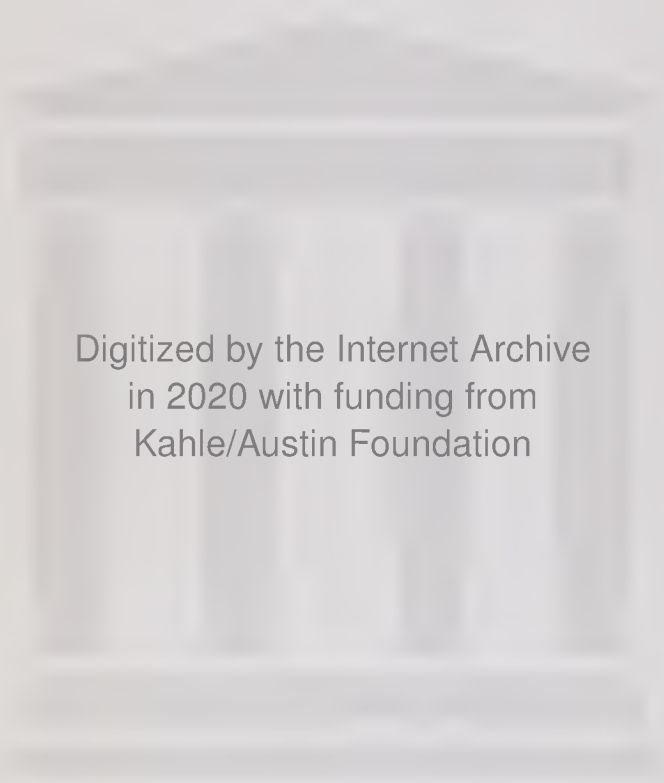


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# THE AMERICAN ERA



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# THE AMERICAN ERA

BY

H. H. POWERS

Author of "The Things Men Fight For," "America  
among the Nations," "America and Britain,"  
"The Great Peace," etc.

New York

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## PREFACE

I have written this book as the appeal of a citizen to his fellow citizens. I have written in the first person for I would fain be as personal as possible. The reader will find here no recondite scholarship, no marshalling of laboriously gathered facts, no startling revelation or new discovery. I write neither as one having authority nor yet as one of the scribes. I come as a citizen to meet his fellow citizens in committee of the whole to consider the condition of the country and of the world. The matters that concern us are commonplaces of popular knowledge whose meaning is after all no commonplace, for it is to these commonplaces that we must turn for the saving of the nations.

I am dazed by the height to which we have suddenly been lifted as a people, and appalled at the abyss that yawns before us. Our opportunity is so immeasurably great, our temper so lawless, and our thought so unconscious that I await developments with mingled anticipation and terror. We seem at times to be walking like the somnambulist along some dizzy ledge where waking men fear to go. Yet wake we must and choose our path with open eyes. We shall find no royal road, no magic formula, no panacea. It is homely virtues that must save us, virtues that the world has known since Sinai, but virtues that are ever new in their application to changing conditions and require the renewal of our allegiance.

In accordance with the purpose of the book I have made a minimum use of footnotes and reference to authorities.

H. H. POWERS.

Newton, Massachusetts.



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# THE AMERICAN ERA

## CHAPTER I

### INTRODUCTION

#### *The Passing of Europe*

WE are witnessing the passing of Europe. Human eyes never looked upon so momentous an event. Almost since history began, the story of the nations has been the story of Europe,—for millenniums a Europe self-centered and scarcely conscious of any other world than itself, but in these last dynamic centuries a Europe striving for mastery and attaining finally to world dominion.

The history of the last four hundred years has been little more than the history of the expansion of Europe. The vast unoccupied lands whose existence was made known by the voyages of discovery were effectually appropriated and colonized to a point that determines their European character forever. Africa became a European estate. Asia became colonial or tributary. Even the Mongolian, a race neither few nor feeble, lost the illusion of world dominion and became deferential or sedulously imitative. The political detachment of America, a mere surface fact, did not challenge European world leadership or break the culture control of Europe over her transplanted peoples. Again as in the days of Rome,

the world was Europe and Europe was the world. It was in such a world that you and I were born.

It is a very different world that we shall leave behind us when we go hence. The center of gravity of things human, always located within the confines of Europe from the time of Herodotus until now, has been displaced, and that with a violence that threatens to disrupt the very fabric of civilization. Europe has lost world leadership forever.

The war did not determine this displacement. It only hastened it. The result was foredoomed, and the transfer silently begun before the war came. The thoughtful foresaw it, predicted it, even pictured its dramatic culmination. The unsympathetic dreaded it. The foolhardy resisted it. Though differing widely in sympathy and attitude, their forecast was the same.

It was nearly a quarter of a century ago that Mr. Balfour in a public address raised the question of what would have happened if the American colonies had not withdrawn their allegiance to the British Empire. The added power and splendor that would thus have accrued to the Empire occurred of course to all, but the speaker dwelt chiefly upon the inevitable transfer of the seat of the Empire from the little island where it originated to the great overseas domain that it had made its own. With the vision of a seer, he pictured the solemn pageant headed by the venerable Queen Victoria which, ere the close of the nineteenth century, would have transferred to our shores the seat of British dominion and with it the leadership of the world.

Quite similar, save for its sympathies, was the appeal of Pierre Loti as in the midst of a Spanish holiday he received the news of Dewey's victory in Manila Bay. In



impassioned language he summoned the nations of Europe to band themselves together to resist that rising power of the West the smoke of whose chimneys was blackening the fair face of European civilization. His was but one of many similar warnings inspired by our attack upon a European power.

Finally, we may cite the case of the ex-emperor of Germany whose fear lest Europe lose her leadership in world affairs amounted to an obsession. His egotism and personal ambitions have perhaps too much obscured to our minds those broader considerations of political philosophy of which he was the constant if unsatisfactory exponent. He, too, was ever summoning Europe to rise in self-defense, though he saw danger chiefly from the Slav and the "yellow peril" beyond. He was never tired of insisting that Europe must equip herself with the resources of overseas and must present a solid front to the enemy if she was to ward off the dangers that threatened her. Unfortunately he was able to conceive of European unity only under German autocratic control, and saw in war the necessary means for its establishment. Nothing could have retained permanently for Europe her traditional world leadership, but a union not too destructively effected would have prolonged it indefinitely. This was the Kaiser's dream. In this lay the true significance of the war. A sudden and overwhelming victory was to unite Europe, concentrate its resources, organize its activities, and add a long lease of life to its waning supremacy. To those who are familiar with German pre-war industrial organization the dream will not seem idle. A Europe thus unified and organized might have seized the great overseas resources of the world and continued its world dominion for centuries. The world was prepared

by a mental habit of two thousand years for such a continuance.

But it was not to be. The war resulted not in prompt and overwhelming victory, but in a protracted and exhausting struggle in which Europe has spent her resources without attaining unity, a struggle at last decided by outside intervention. It is at once the most indecisive and the most decisive of all wars. As among the European contestants it settles nothing. It would be difficult to find record of a peace containing so many artificialities, so much of inner tension, of unstable equilibrium, as the peace of Versailles. The consciousness of these artificialities and weaknesses is betrayed by numerous provisions in the treaty itself which clearly confess the need of readjustment. The war leaves the Balkan question, the Rhine question, the Slavic question, more unsettled than before.

But the infinitely greater question of the place of Europe in the world has been decisively settled. Europe threw the dice for another thousand years of dominion and lost, lost beyond hope of recall. A decision which nothing could have permanently averted has been suddenly precipitated. The war has done the work of two hundred years.

But decisive as is this result, it is obscured by the circumstances of the transfer. Superficially considered, the war seems to have ended in the victory of certain European powers and the enormous increase of their prestige. France recovers Alsace-Lorraine and with it some of the most valuable mineral resources in the world. Italy gets important additions to her territory. Czecho-Slovakia and Jugo-Slavia attain the fulfillment of their ambitions. But these gains are specious. It requires

but little knowledge of Balkan conditions to reveal that the new order there is a thing of weakness rather than of strength. The gains of France and Italy are substantial, but they have been purchased at a price that they cannot justify. Both countries are weaker than before, and as compared with the rising powers of the outer world they have lost out permanently. As between the victorious Latin powers and conquered Germany, the stock of the latter is infinitely the better risk.

But there is one nation whose case is somewhat different. The gains of Britain are not only enormously greater than those of any other European power, but they have been purchased at far less cost. Her outlay has been but half that of France and it has left her vital resources comparatively intact. Her losses are not beyond repair if sanity can prevail in her industrial councils. Meanwhile her strategic position has become almost incredibly strong. Her sea power,—increasingly the determinant of world control,—has been confirmed by the destruction of its only possible rival, and her marvelous list of strategic posts, well nigh complete before the war, has received accessions which make it absolutely world dominating. No single nation ever before approximated to this strategic power of Britain. If this power can be backed up with the necessary resources and maintained, it may seem at first sight to insure the continued control of Europe.

But it is precisely this domination of Britain that insures the transfer of world dominion from Europe. For Britain is steadily becoming a non-European power, and what Europe gives to her keeping is lost to Europe.

Here again the influence of the war has been potent. It has not only given more of the world into Britain's

keeping, but it has driven Britain out of Europe. In all previous wars it has been England or the United Kingdom that has sustained the British cause. In this war it has been the British Empire. The great dominions have assisted, not merely as heretofore by a few volunteer units, but by complete national co-operation, even to the extent, in some cases, of adopting the hated conscription, and with financial sacrifices that have surpassed all expectations. As nations they have for the first time stood shoulder to shoulder with the mother country.

This full co-operation has found recognition and expression in the new Imperial Council, the seeming fulfillment, in incipient form at least, of that much talked of and often despaired of closer union of the British peoples which has long been foreseen as the necessary condition of British permanence.

It will be apparent at a glance, however, that such a British union would no longer be a part of Europe. So long as England was the real seat of power and the relation of the dominions was that of dependents, Britain might be accounted in some sense a European power as France with her foreign dependencies is properly so accounted. Even so, the fact that the population of Canada, Australia, and New Zealand was British in race and speech made her case unique. But as the relation of dependence ceases and in a sense becomes reversed, as the great dominions take their place as equals alongside of England in war and council, Britain ceases to be European. This the war has effected. This the coming years will confirm. The pageant that Mr. Balfour pictured has tarried in its coming. It may never take place in quite the outward and formal way that he depicted. But

the great transfer of which it was to have been the outward sign he has lived to witness in part at least.

But all this is trivial compared with another fact, the most surprising of all that the war has presented. The entry of the United States into the war was the most amazing fact of modern history. It will take the American people a long time to make a spiritual accounting of this great transaction. Not that it could or should have been otherwise. It was the inevitable, the wholly justifiable thing. But its results were so appallingly momentous and its wisdom so immeasurably beyond our perception at the time that one stands almost aghast at the result. We have here to consider it in but a single connection, its relation to world leadership.

We regard ourselves as a separate people. The world does not. Britain does not. We are the Anglo-Saxon reserves, reserves inexhaustible in men, in wealth, and in creative power. We go by a separate name. We pride ourselves upon local distinctiveness. We reserve the right to carp and criticise our kindred (an unlovely Anglo-Saxon characteristic). But one great fact stands out above all these symptoms of separateness and repulsion. We shall never again fight against Anglo-Saxons. I have put that question to persons of every shade of opinion, to persons jealous and critical of Britain as well as to her sympathizers.

"Is there the slightest probability,—a probability of which a prudent people need to take any political account,—that England and America will ever again be at war?" And the answer, whether willing or reluctant, has always been the same. "No, that is one of the things that will not happen again. We shall quarrel and



scold, but we shall make up our quarrels without war."

If this is true, it is a supremely important truth. It is a sheet anchor not only to the Anglo-Saxon peoples, but to a storm-tossed world. The assurance of peace within the Anglo-Saxon domain is the largest conquest that peace has thus far made. It is the one great steady-ing force in time of world crisis, the one substantial reality in the dreamland league of nations.

Before the war this peace of the Anglo-Saxon was a negative rather than a positive fact. It meant that we would not fight each other. The Canadian border was the visible sign of this tacit compact. The war has gone far to give it a positive character. For once at least we have fought together in defense of common interests, not for each other to be sure, but for coincident interests. The conflict closes with no alliance. France asks for an alliance but Britain does not. Hers is a subtler way, a deeper assurance. We will never fight against her. We fought with her this time because our far reaching interests coincided with hers. They will coincide next time, and co-operation will be easier next time than this. So Britain argues and is reassured. As regards local affairs we shall be as separate as we please, as separate as her own dominions (we could not be more separate), but when it comes to a world crisis the Anglo-Saxon union is a fact. Such a union was inevitable. The war has suddenly made it a reality.

The bearing of such a fact upon the problem of world leadership is obviously of supreme importance. At the moment when the gateways of the world pass into Britain's keeping, even an incipient consciousness of community of interest and the mere possibility of a policy of joint action between the two great Anglo-Saxon



commonwealths is a fact of profound significance. Aside from their immense power and resources, the two peoples are so situated as to supplement each other perfectly, and together they occupy an impregnable strategic position.

But the war has done more than bring the two peoples together. It has thrown the center of gravity heavily from one side to the other. England was the leader of the Anglo-Saxon family when the war began. America holds that position today. It is but the fulfillment of the inevitable, the sudden coming to the throne of the legitimate heir. The position of England had already been challenged. In wealth America had long outstripped Britain, and wealth eventually carries other factors with it. But British naval supremacy was still unquestioned and her effective military establishment surpassed our own. Above all, the world was awed by British experience, by her incomparable administrative and diplomatic tradition, by her superb combination of wise forbearance and resolute assertion. We were richer than Britain, but she was still infinitely our superior in gathered wisdom and prestige. We had still long to wait for the succession.

Here as elsewhere the war has done the work of centuries. Destitution overwhelms all differences. Britain has spent thirty-three per cent of her wealth on the war. Of our own wealth,—probably three times as great,—we are said to have spent three per cent. Britain, once the creditor of the nations, emerges from the war with her foreign credit sacrificed, her treasury empty, and enormous debts due to America. We have more than paid the cost of the war by war-time economies and have taken Britain's place as the creditor of the nations.

Today Britain stands, not merely as a customer, but as a suppliant, asking of our abundance.

It needs no great power of divination to see the bearing of these facts upon world leadership. Britain has the keys of the world in her keeping, but no longer does the "tight little isle" furnish the energies required for her vast undertakings. She leans, prematurely perhaps, upon her growing dominions still in the gristle, dominions so long accustomed to look to her for the capital needed for their development. Above all, she leans upon America, no longer covertly or apologetically, but frankly as the one adequate support that can help her to bear her crushing burden of world leadership. It is hardly necessary to ask where the center of gravity of things human is located.

Britain at least is under no illusions. She attempts no disguise of her dependence and manifests no jealousy of the responsibilities she is compelled to share. Are there perquisites of world leadership that tempt us — Constantinople, Palestine, Mesopotamia — we may take them and welcome. Do we essay to coerce her by threatening to outbuild her navy? She rejoices that we are willing to take part of the burden of policing the world off her hands. Concerned only that the world should be pacified for purposes of her industry and trade and dead to all the brass-button glamour of empire, she welcomes our participation, accepts our leadership, and finds in the joint result the realization of her larger self. Not with stately pageant, but in the quieter way that comports better with the habit of our race, Mr. Balfour's dream bids fair to come true.

This then is the legacy of the war, Anglo-Saxons the mainstay of the world, and America the mainstay of the

Anglo-Saxons. Our thought is wont to picture such relations in the fashion of a pyramid, the dominant race crowning the dizzy summit. The figure of Atlas is a truer one. The supreme race is the burden-bearing race. It is an inverted pyramid of which we occupy the apex.

We have now to notice somewhat more carefully the situation, first, of the Anglo-Saxon race in whose great task we are assigned so important a part, and second, of our own nation whose problems in this connection we are to consider.

## CHAPTER II

### THE ANGLO-SAXON

BEFORE taking up those purely American problems which are the subject of our inquiry, it is well to note briefly the situation of that great race to which we as Americans belong. I do not wish to imply any undue identity between Americans and the larger Anglo-Saxon family, still less to suggest any political connection, present or future, between them. But our future as a nation is enormously influenced by the fact that we are not an isolated people like the Albanians or the Magyars, whose language is unknown outside national borders, but that we belong to a mighty race strategically planted in all parts of the globe and whose language is understood in every trade center of the world. When we add that this race has outgrown the possibility of war within its own borders and that it shows an increasing solidarity in facing dangers from without, it is plain that membership in such a race becomes a major factor in determining our national destiny. For the present, therefore, we will drop all question of differences within the race, all consciousness of jealousy or opposed interests as between British and American, and will take the inventory of our joint possessions, just as later we will consider American interests without reference to the interests of the several states. This is no disparagement of these divisions or of their opposed interests, but there is a sense in which the Anglo-Saxons are a unit and their interests common

interests. It is in that limited sense that they are here considered.

In the first place we are sharers in the supreme result of the war, the ascendancy of our race. That ascendancy was already a fact, but neither the world nor ourselves was wholly conscious of it, nor was that ascendancy unchallenged. The war, indeed, was its challenge, just that and nothing more. That challenge has been decisively settled. The Anglo-Saxon, already the most strategically situated of all races, comes out of the war enormously strengthened by the consolidation of Africa, the clearing of the eastern seas, the control of the Dardanelles, the Bagdad Railway, and the land approaches to the Suez Canal, and by the destruction of the only redoubtable sea power that might challenge its supremacy. We have annihilated the one great enemy. We have closed the one great breach in that chain of Anglo-Saxon defenses that grips the world.

Our race then, with the additions that the war has brought, controls directly through its several national divisions about seventeen and a half million square miles of territory, or more than a third of the earth's surface, inhabited by nearly six hundred million souls, or more than a third of the world's population. This territory includes the British Isles in Europe, two thirds of Africa, nearly all of southern Asia, practically all of Australasia and Oceanica, and substantially the whole of North America and the Caribbean area.

More than half of this vast territory is white man's land, that is, land on which the Anglo-Saxon can live without prejudice to his energy or to the character of his civilization. Contrast this with the French domain which, though twenty times the size of the home land, is

almost wholly unavailable for the propagation of the white race. The Anglo-Saxon shares with the Russian the world's reserves of white man's land. If quality as well as area be considered it is hardly an exaggeration to say that the Anglo-Saxon holds half the world.

If we consider his situation from the strategic standpoint, the case becomes very much stronger. North America, the chief habitat of the Anglo-Saxon, protected by the two largest oceans and self-supplied with almost all that is needful, is an almost impregnable position. With the control of the Panama Canal and its approaches, it is as ideally situated for the great strategy of these later days as was England for the lesser strategy of an earlier day. Australia is almost equally favorable for purposes of the greater world strategy and with South Africa and New Zealand it assures complete control of the Southern Hemisphere.

If we turn from the grand strategy of continents to the lesser or detailed strategy of bases and fortresses, the position of the Anglo-Saxon again appears as one of supreme advantage. Even before the war he controlled most of the important waterways and land routes of the world. His fortresses were on both sides of the English Channel. Gibraltar dominated the entrance to the Mediterranean. Malta controlled the entrance to the Adriatic. Egypt and Aden controlled the Red Sea and the Suez Canal. Colombo guarded the tip of India where the Oriental traffic routes diverge. Singapore held the Straits of Malacca and impregnable Hong Kong stood guard where the ships round the corner of Asia. The Panama Canal, greatest of man-made waterways, is in Anglo-Saxon keeping, together with the maze of



its island approaches, and even South America, that least Anglo-Saxon of continents, is tipped by an island fortress held by Britain.

Practically but three important waterways remained under alien control, the Danish straits controlling the entrance of the Baltic, the Dardanelles giving access to the Black Sea, and the Gulf of Pechili, the only practicable entrance to Northern and Central Asia from the East. The first of these was controlled by Germany with Russia as the seemingly inevitable alternate. With the utter collapse of Russia, the disarmament of Germany, the destruction of her navy, the opening of the Kiel Canal, and the dismantling of Heligoland, England becomes, by virtue of her position and her naval power, the gate-keeper of the Baltic. Territorial occupation is unnecessary.

The Dardanelles is next to the Strait of Gibraltar the most important waterway in the world. It serves the largest and richest area. It is the most impregvably defended. It is the only important waterway for which there is no substitute. Napoleon declared that its possession meant the control of the world. The destruction of the Turkish Empire, the disintegration of Russia, and the defeat of Germany, eliminating all rival claimants, give this master key decisively into Anglo-Saxon keeping. So momentous a transaction may be prudently disguised. There will be mandates or other camouflage designed to persuade the hesitant or to soothe the susceptible. There may be even non-Anglo-Saxon administration. If so, it will be a minor power under bonds to the Anglo-Saxon. The mere opening of the straits and dismantling of their fortifications will in itself assure control to the Anglo-

Saxon sea power. But whatever the disguises, whatever the method, the one immutable fact will stand firm. The Anglo-Saxon holds the Dardanelles.

The Gulf of Pechili controls access to Siberia, Manchuria, and to the rich provinces of China north of the Yangtse River. It is the approach to the great treaty port of Tientsin as well as to Peking, the capital. Its natural defenses, Korea, the Liaotung and Shantung Peninsulas, are of tremendous strength. Before the war they were held in most equivocal equipoise by the Japanese, the British, and the Germans. The war has eliminated the Germans, with what result to Anglo-Saxon influence it is unnecessary to state. Wei-hai-Wei is the most unobtrusive of British posts, the symbol rather than the substance of British power. But it is on the strategic side of the Shantung Peninsula and can play its part if necessity requires.

To all of this must be added the control of the sea, a control now quite unchallenged. Before the war the British navy was paramount. Today,—save for ours,—it stands almost alone. The German, Russian, and Austrian navies have perished. The navies of France, Italy, and Japan are hopelessly outclassed and the resources of these countries make competition impossible. Were Britain and America to be at odds these navies would at once become important, would in all probability decide the event. But that possibility we have assumed is excluded. Only the Anglo-Saxon can destroy the Anglo-Saxon.

If we turn to the great land routes and to commercial rather than military strategy, the outlook is not less favorable. The ten great railroads across the American continent are all in Anglo-Saxon hands. The Cape-to-

Cairo route with its network of branches, now fully assured and already largely realized, will dominate the African continent as completely as our ten railways dominate our own. And to this is now added the Bagdad Railway, the trunk line from the heart of Europe across the "bridgehead of Asia" to the East, perhaps the most important line in the world. Even if the Latin carries out his project of tunnelling to Africa and bringing his trains at Dakkar to the fast steamships that are to cross in three days to nearby Pernambuco, his trains will enter the tunnel under the guns of Gibraltar.

The rivers too serve the Anglo-Saxon. He is intrenched as ruler or master trader at the mouth of the Yangtse, the Peiho, the Pearl River of Canton, the Irrawaddy, the Brahmaputra, the Ganges, the Indus, the Nile, the Zambesi, the Niger, the Mississippi, the Columbia, and the Orinoco. In the heart of Europe and on the great Russian plains he still comes and goes by permission, but it is a permission that none now dare to withhold. Truly an imperial position, this that destiny has accorded to our race.

But this is only one aspect of Anglo-Saxon supremacy and not the most significant. Strong positions are strong only if strongly munitioned and held. It is not area nor yet location which is the measure of a people's strength but natural resources.

The dominant civilization of our day is based upon minerals. This has not always been so, and it may not always be so, but it is so now. The exhaustion of mineral resources may compel us to change the character of our civilization and to shift our allegiance, but while minerals last they seem likely to remain the great elements of power. Chief among these determinants are coal and

iron, with oil, copper, tin, gold, silver, nickel, and a multitude of less known recent additions to the list in varying degrees of importance. It is the supply of these basic materials much more than extent of domain or strategic position that is the measure of our power as a race. Once again the Anglo-Saxon is "the darling of the gods."

The world's coal supply has been carefully prospected and estimates, though subject to correction, are fairly reliable for our purpose of general comparison. Of the world's total, the Anglo-Saxon holds  $73\frac{1}{2}$  per cent or about three fourths. This is widely distributed, no part of the race habitat which is peopled by Anglo-Saxons being without its supply. No other race has one eighth this amount under its present control. South America, for instance, a territory almost as large as Anglo-Saxon America, and the chief territorial reserve of the Latin race, has less than one half of one per cent of the world's supply, a fact sufficient in itself to insure its permanent industrial inferiority.

The supply of iron is not known with any such approximation to accuracy. It is much more widely distributed than coal, and exists in every degree of concentration and diffusion. What would not be classed as workable ore in one age is so classed in the next. But enough is known to warrant the assertion that here again the Anglo-Saxon position is unrivaled. The largest deposits in the world are in North America. Moreover, the other principal deposits are largely so situated,—in Brazil, Cuba, Lapland, etc.,—that lack of coal or other industrial conditions make them available only for purposes of export, and the maritime and naval supremacy of the Anglo-Saxon virtually annexes such supplies to his domain. The British steel industry is now based largely

on Spanish ores. The great deposits of Cuba and Brazil seem destined to like utilization by British and American furnaces in view of their lack of coal. Only a single deposit of great extent, that of Lorraine, is plainly destined for other utilization, and that has now passed into the hands of a necessarily friendly power.

As regards other minerals the story is much the same. The Anglo-Saxon has at least his full share,—mostly a preponderant share,—of the world's gold, silver, nickel, and copper. He monopolizes its tin. The growing importance of oil finds the Anglo-Saxon not only richly supplied in his own domain, but by virtue of his maritime and commercial supremacy in control of the oil fields of independent countries like Persia and Mexico, whose supplies are out of all proportion to their industrial needs. A single great oil field remains outside his sphere of influence, that of the Caucasus. It will be interesting to see the result of the newly acquired control of the Dardanelles in its effect upon this important interest. To all this must be added the timber of our virgin forests in which once again the Anglo-Saxon controls the major portion of the world's supply.

As contrasted with this marvelous inventory, the endowment of other peoples is pitifully inadequate. The Latin must come to us for his coal, the Teuton for his cotton, the Mongolian for his timber, and all for our tin and for our copper, nickel, and much else that is not sufficiently furnished by their own meager supply. And for what must we go to them? To Russia for our platinum, to Germany for our potash,—the list is not a long one. There is basis for reciprocity but the Anglo-Saxon holds a strong hand.

One more fact which is really involved in what has



gone before calls for special mention. The Anglo-Saxon has room, room not merely for helots, but room for his kind. The Latin has room, but room which he can occupy only at the cost of his energy. The Mongolian and the Teuton have no room. If they multiply they must give their increase to recruit other races, and to the Mongolian even this privilege is denied. Only the Slav rivals the Anglo-Saxon in this privilege of expansion without loss of character. Even his domain is far less favorably situated for purposes of race leadership and far less endowed with the basic resources upon which race power so largely depends.

It is this privilege of race expansion without degeneration which sets the seal upon Anglo-Saxon achievement. At present the race, though controlling a third of humanity and two thirds of the world's resources, is not numerous enough permanently to maintain its extraordinarily favorable position. It numbers scarcely a tenth of the world's population. Only a rapid and considerable increase in numbers can assure the continuation of its leadership which so nearly amounts to control.

It was precisely this weakness of the moment and this prospect of the future that inspired Germany to wrest control from the Anglo-Saxon ere it was too late. The Teutons were hardly half as numerous as the Anglo-Saxons, but they were united, superbly organized, and almost impregnably intrenched. They had the aid of powerful dependent peoples. Above all, they faced a divided race and hoped to deal with it piecemeal. Had this last supposition proved correct their calculations would have been justified. We know how Australia was parceled out in advance into German baronies. There is more that we do not know. The point of it all is that

the Teuton was to appropriate the growing room of the Anglo-Saxon. It was to be the Teutonic race which would fill the white man's land of the world and into which the surplus of the Anglo-Saxon people was to be absorbed. It was the Teuton that was to inherit the earth.

This was the supreme challenge. There has never been one like it before. There can scarcely be one like it again. The challenge has been met and the issue decided, for all time, we would fain believe. The Anglo-Saxon keeps his growing room, keeps his incomparable heritage. His increase will not be alienated to other races and other ideals. It is his language that will be spoken, his institutions that will prevail, so far as they prove capable of serving men's needs. The war settled all that. It broke the powerful organization of the Teuton and postponed indefinitely the crude rivalry of the Slav. It broke the barrier of the Baltic and delivered the keys that open the gateways by land and water to the mighty east. It has leveled the enemy's citadels and closed the last breach in our defenses.

It is an overpowering commission, this mandate of destiny to lead humanity on into the undreamed future. But it is our mandate. We have accepted it, and we can not escape. Is there headshaking at such a choice? It was not our choice. We had no option. The part was chosen for us and where we hesitated we were scourged to it under penalty of death. It will be so still. The myriad individual choices of which race expansion is but a by-product are guided by no consciousness of these remoter reactions and are amenable to no considerations of our petty philosophy. The man who chooses a mate, the emigrant who seeks opportunity in remote lands, the

settler who learns the language of the market, these are not playing for the dominion of a race, nor will their choices be determined by these paramount interests. It is folly to inveigh against these decisions of fate, folly to chide the instincts that range us in their defense. These things are wisely withheld from our feeble wisdom. It is within a narrower range that our choosing plays its little part.



## CHAPTER III

### THE AMERICAN

WE come now to that branch of the Anglo-Saxon family with which we are more immediately concerned. Possibly some have chafed at the preliminary attention paid to the race as a whole. No doubt the reader of the preceding summary has at times been tempted to ask: "How much of this is ours? Where does America come in?" The question is legitimate and the impatience pardonable, though it can not be too strongly insisted that of our possessions none is more precious than our membership in a mighty race whose position in the world is impregnable and whose peace with ourselves is assured. Having considered the place of our race in the world, we now inquire as to the position of our nation in the race.

The main fact has been anticipated. The war has altered the status of America far more than that of the race as a whole. Though we have been farthest from the storm center, we have been most affected by the storm. To put it in a word, the war has made us the leader of the Anglo-Saxons and thus in a sense the leader of the world.

All this was predestined and was in process of accomplishment before the war began. Our territory was the largest, the richest, and the most self-sufficing of all the Anglo-Saxon domains. All the products of the temperate zone and of the sub-tropical belt we produce in

abundance. Some of the most important we almost monopolize. Thus the great manufacturing nations, England, Germany, France, and Japan, come to us for their cotton which we alone produce within our borders. Even those that, like England and France, have cotton producing dependencies, are unable to meet their demands and must draw upon our seemingly inexhaustible supply. Alaska furnishes polar products and the Philippines and our Caribbean dependencies the products of the tropics. We can furnish to the national life the "balanced ration" almost wholly from home resources. No nation could endure a blockade with so little impairment of its vital force.

The inventory of our natural resources is still more astounding. We have seen that the Anglo-Saxons have  $73\frac{1}{2}$  per cent of the world's coal. The United States has 70 per cent of this, or 52 per cent of the world's total. We know less about the world's iron and less about our own, but we at least know our supremacy. There is little doubt that half the world's available supply of iron is in the United States. In the matter of gold, silver, and copper, we are hardly less fortunate. Our supply of oil is the greatest in the world. Our forests, despite colossal waste, still possibly surpass those of all the rest of the world combined.

So fortunate is our situation, that certain of the great problems that vex the nations are for us almost non-existent. Americans can not understand the age-long struggle of the nations to get access to the sea. The eternal struggle of Russia to the westward or of Germany toward the Channel is for them inexplicable on other ground than pure perversity. With unlimited access to the two greatest oceans and the Gulf, and

communication through the convenient canal, this greatest of national needs has been from the first so fully met that we have never known it as a want.

And this favored domain we have possessed in a measure exceeding by many fold our present needs. What wonder that our population and our wealth have increased more rapidly than those of any other country. We passed Britain in population eighty years ago. Twenty years later our population equaled that of all other Anglo-Saxon peoples. Today it is nearly double that of the rest of the Anglo-Saxon family.

The increase in wealth has been even more rapid, though the handicap was far greater. The colossal accumulations of England during the century or more in which she virtually monopolized modern industry gave England a wealth which few expected to see equaled elsewhere, while the unrivaled thrift of the French attained similar results in another way. For two centuries at least, these nations were looked to as the fountain-head from which capital must be supplied to the rest of the world.

But before the great war began we had overtaken industrial England and thrifty France, and despite the rich harvest which their accumulated capital had enabled them to reap in our own and other virgin lands, our per capita wealth exceeded theirs. Their capital was still invested enormously with us and we were still a debtor nation, but that did not mean poverty. It meant simply that with our immense resources and our field for investment there was room for them and for us. We were undeniably first in our assets as a nation.

To have doubted the ultimate primacy of our nation would have been to doubt the capacity of the Anglo-

Saxon people. Never had that race had such an opportunity. Never had it found such resources ready to its hand. What wonder that Mr. Balfour should have foreseen the transfer of the seat of British rule to America as the inevitable result if the political unity of the Anglo-Saxons had continued! Whether British conservatism and family sentiment — even our own sentiment — would have permitted the actual removal of the seat of imperial administration from the banks of the Thames may perhaps be doubted, but the matter is of little consequence. The center of influence and power would have been in North America.

The separation of the Colonies from the mother country has made any spectacular transfer of political authority impossible, but it has not prevented the inevitable transfer of the essential leadership of the Anglo-Saxon people. The essence of things is not found in pageants or symbols and is very little affected by them. Even political organizations are in a sense but surface events and have at best but a limited influence upon the history of a race. In spite of political separation the Anglo-Saxons have gone on much the same.

But our leadership does not rest solely upon our wealth and numbers. It is true that in the finer elements of leadership England is still much our superior. We lack her vast experience, her knowledge of world problems, her diplomatic tact, her fine balance between forbearance and assertion. We have even been wont to disparage these gifts. But the history of recent years has done much to remedy these defects. The nineteenth century saw the end of our isolation and the twentieth had already carried us far from our ancient moorings. The

acquisition of Hawaii, Samoa, and the Philippines had initiated us into the mysteries of empire and taught us something of the needs and the rights of helpless peoples. Our experiments in the Philippines, and still more our experiences in connection with our Caribbean protectorates, were slowly teaching us something of the limitations of our cherished political theories. The Canal had brought us problems of grand strategy and forced us to think in terms of naval bases, protectorates, and spheres of influence much after the manner of other men. This may or may not have been wisdom as judged by some absolute standard, but it was at least adaptation to world habits of thought and world conditions as men conceived them. We were making a place for ourselves on the world's eligible list.

But when all is said, it must be confessed that this adaptation was still far from complete. From the standpoint of nations centuries old in world politics we were still novices when the great war suddenly called us to the front, little experienced at the great task and but half convinced of its necessity. Such knowledge as we had gathered in our recently acquired dependencies was of the outermost penumbra of our warring world. Of such problems as daily perplexed the statesmen of Europe we were quite unconscious, a fact of which the conference of Versailles was to give melancholy proof.

And now comes the war and cuts short our apprenticeship, laying upon us its mandate of world leadership. It behooves us to note briefly some of the changes that have contributed to that end.

The balance of population has been altered in our favor. Our losses in the war have been negligible, not



more than the normal increase of a few weeks. Even the interruption of immigration has not prevented a steady increase in our population.

France is said to have lost three millions in population during the four years, losing, of course, those whom she could least spare. Britain, Italy, Germany, and Russia are all probably less populous than before the war. We were continually gaining on the European countries before. The war has been equivalent to an extra ten years' gain.

But the end is not yet. The great influence of the war upon population will come after the war, when freedom of movement is restored. The return of peace will find the European countries prostrate and demoralized as never before since our history began. Poverty, starvation, and the enormous burden of taxation will force emigration from their already lessened population. Mr. Vanderlip tells us that one of the problems definitely confronting the British government is that of transporting five or six millions of the population of England to countries nearer the food supply, it being impossible to feed them in England with the new wage scale that the war has put into effect. Only a part of the British industries will bear the wage increase that has come to stay. The rest must migrate and must take their dependents with them. Mr. Herbert Hoover declares that Germany under the new terms of peace must part with at least twelve millions of her population.

If we permit it, a large part of these exiles will come to us, thus enormously increasing our population while that of other countries is declining. If we exclude them, they will go to South America, to South Africa, to Canada, to Australia, all of them eager for these

additions to their strength. Even so, it means a heavy shifting of the balance of population in favor of the United States.

But this is the least of the changes which we have experienced as the result of the war. The great change is in our national wealth. We have seen that even before the war our per capita wealth surpassed that of any other nation. Britain and France, long the recognized sources of capital for the development of new countries everywhere, had dropped to second and third place. They were still the great foreign investors, for great as our capital had become, our opportunities for investments were far greater, and we were little tempted to seek investments in other countries. On the other hand, a large part of British and French capital was invested in our own. In spite of our greater wealth we were still a debtor nation to the extent of some billions of dollars, on which we paid hundreds of millions in interest every year, an arrangement very profitable to us, for we made far more than we paid on the foreign capital thus loaned to us.

It has been estimated that France has spent in this war sixty-seven per cent of her national wealth, Britain thirty-three per cent, and America three per cent. France, with an outlay of sixty-three billions of dollars, expects to receive thirteen billions from the specified German indemnity, leaving her a net loss of fifty billions. She is said to have a deficit of a billion dollars on the current year's budget for which no provision has yet been found. Had she not an irreproachable character for thrift and business honor, France would be bankrupt.

The case of Britain, if less desperate, is still serious. Her financiers who have so often visited America

looking for opportunities to invest British capital are now coming to ask, almost to beg, the loan of our own. It sounds strange to hear from the lips of these men that we are the one hope of Europe and that we must share with them our abundance if they are to be saved from ruin.

And what has the war done for ourselves? First of all, we have paid our own enormous war expenditure amounting to between fifteen and twenty billions of dollars. We must not be confused by the fact that this is largely represented by government debt. The government owes for it, but it owes to us, not to any other people. It is we who have paid, each according to his patriotism or his ability, leaving the problem of readjustment to be worked out later through taxes and the redemption of our bonds. But the war has been paid for as we went along,—had to be paid for in concrete goods, in munitions, and supplies, for armies can not fill their stomachs or load their rifles with the products of next year's industry. These things we have furnished out of present wealth and current effort.

But we have done much more than this. We have given back to European countries nearly the whole of the capital they had invested with us. Technically we have bought back the American securities that they held, but the price has been paid in concrete goods, in food and munitions and products of every kind. These, too, have come from our present wealth and our current effort, thousands of millions as a whole.

There is more still. We have loaned to foreign governments about ten billions of dollars directly, through our government, and through private sources a large additional amount. Besides this, there are loans to



private interests which it is impossible to estimate. And again these have all been furnished in concrete goods. It is difficult to realize this fact in connection with these great transactions. We read that the government has "extended a credit" of so and so many millions to such and such a nation. It sounds like a paper transaction without substance. What does it mean to "extend a credit"? It means just the same as when a merchant gives us credit at the store. We go off with the goods and pay for them at some future time. So with the nations to whom we are extending credit. They have taken out their credit in food and steel and other goods which we have produced and furnished, taking Liberty Bonds in present payment. When these nations pay later, the government will pass the money on to us in exchange for the bonds.

And as the result of it all, where do we stand? We have become a creditor nation,—the one great creditor nation. The Old World owes us many billions of dollars, and hundreds of millions must now come each year to us in payment of interest on these loans, instead of going the other way. There can be no doubt that at a time when the wealthiest of Old World nations were approaching bankruptcy and when our own expenditures as a government surpassed anything ever dreamed of before, we have actually increased our national wealth.

Where has it all come from? Not from profiteering and war contracts. That is but a method of concentrating or apportioning our gains. Profiteering does not create wealth. It is only a way of appropriating it,—a way much exaggerated at best and affecting but an insignificant part of the gains of industry.

This great increase has come from the speeding up of

production and from economy in consumption. We have worked as we did not work before, yet seldom beyond our strength. We have saved as never before, yet the hardship entailed is best remembered for the diminution of the sugar in our coffee. And the extra hours we have worked and the indulgences we have briefly surrendered, these have added tens of thousands of millions to our national wealth and make us the Joseph of the world for the lean years to come. It is a position of dizzy eminence to which we have unexpectedly climbed, that of the banker nation for an impoverished world. Upon us rests the responsibility of assuring and of guiding the world in its reconstruction. We have not merely abandoned our isolation to take our place in the family of nations. We have taken, even at the moment of entering, the supreme place, that of leader of the nations.

So great a change could hardly take place without powerful reactions upon our policy and our national sentiment. These reactions have already begun. A striking example is that of our merchant marine. Previous to the war our foreign commerce was carried in the ships of other nations. Our own shipping engaged in this trade was negligible, hardly a twentieth of the merchant marine of Britain. That means that in our intercourse with foreign nations they came to us, not we to them.

The destruction of allied and neutral shipping by mine and submarine forced us as a war measure to turn our vast energies to the construction of ships. Shipyards were built such as the Old World had never dreamed. The signing of the armistice found us just getting into our stride. Great ships were daily slipping from the ways and the momentum was increasing. Meanwhile the cry of the world was for ships to carry food to the

starving and materials to the builder and soldiers to their homes. The spirit of the situation caught the imagination of the American people. There was hesitation at the abandonment of a time honored policy, but the situation was too compelling. The program was ordered continued. Already our merchant marine is the second in the world and is rapidly increasing. The die is cast. We are to have our own merchant marine and our meeting with peoples overseas will be at their threshold, not at ours. Few changes could so profoundly affect the character of our people.

Our different attitude toward international problems is already startlingly apparent. The problems of the war are not yet solved, but to those who have grown to manhood under the traditions of the nineteenth century the steps already taken are bewildering in the extreme. What one of us would have predicted that Americans would have garrisoned Schleswig and Archangel and Vladivostok, that we would have kept the watch on the Rhine and dictated imperiously the details of a European peace? Above all, who would have believed that we would have faced calmly and with but moderate protest the proposition that we administer Armenia and assume the guardianship of the Dardanelles? To those mindful of our former selves these things sound like tales from fairyland. No doubt the realization of these ambitious schemes will prove difficult, perhaps impossible, and old instincts will assert themselves in due season, but on the whole we seem minded to welcome the great rôle that fate has so suddenly assigned to us. Whether we are equal to the part is the question for our consideration in the following chapters.

## CHAPTER IV

### THE OTHERS

LET us now turn briefly from these considerations so gratifying to our American pride, and consider the condition in which the war has left the other nations, friend and foe, with whom we must henceforth be associated in the world's work. Certain facts of their situation have been anticipated in what has been written, but they call for fuller and more concrete statement.

The most conspicuous change is in their form of government. Three great autocracies, among the oldest and most powerful in the world, together with others of lesser consequence, have been destroyed. The peoples have made an end of kings. A people with our democratic traditions and our antipathy to autocracy naturally acclaims such an achievement. The world has been won to democracy which, to the popular mind, is equivalent to making the world safe for democracy.

But a second glance is less reassuring. Democracy has come into a troubled inheritance. It is not merely autocracies that have been destroyed but governments, even nations, are menaced with destruction in their turn. The striking fact is the ascendancy of the forces of disintegration. For a thousand years Europe has been in process of integration, welding together its petty duchies and baronies, removing their economic and political barriers, and giving them the larger horizon and the broader sympathies of the nation. Look at the map of France

in the twelfth century, of Italy in the eighteenth, of Germany even in the nineteenth. They were such as the Balkans are today.

This process of integration was fairly complete in Western Europe; it seemed assured in Central Europe; in the Balkans it was but a hope. Today the process is reversed. The Hapsburg empire is dissolved and becomes a larger Balkans. Germany is crumbling around the edges. Russia is in chaos. So far the victorious western powers have escaped disintegration in their home area, but the fever of disintegration has caught certain of their dependencies and results are awaited with undisguised apprehension.

All this is trifling, however, as compared with disintegration in another and more vital aspect; namely, the disintegration of the inner social organization from which no nation is exempt. In Russia this disintegration is seemingly complete. Property and privilege of every sort have disappeared and all that characterizes our Western civilization is in process of dissolution. State, industry, church, family, all have succumbed, at least in a degree and for a season, to the forces of disintegration.

Conditions in other countries are less outwardly changed, though all are deeply affected. In Hungary the Russian régime was established long enough to wreck the country and to pave the way for reaction. In other Hapsburg countries it is perhaps imminent. In Bavaria it has already enjoyed its brief control. In Italy, France, and England it has its following.

It is not necessary for our present purpose to discuss the constructive possibilities of bolshevism. The claim that it heralds the dawn of a new era may pass unchallenged for the present. It is sufficient for our purpose

to note that its immediate influence is destructive. It attacks the present industrial and social order with pitiless severity. It is, in another and graver sense, an agency of dissolution.

We have one more fact to notice and this by far the most important of all, perhaps the cause of all the rest. That fact is industrial paralysis. In continental Europe today the wheels of industry are stopped.<sup>1</sup> The peace industries were originally stopped in the interest of war. Every industry that did not contribute to the winning of the war was put under ban. As the war continued and the conflict became more desperate, the ban was extended until everything that could be spared was ruthlessly eliminated.

Concurrently the war industries were developed to prodigious proportions. Labor, raw materials, energy, brains, all were devoted to the one indispensable need. And when the limit of exhaustion had been reached by the enemy and well nigh reached by our allies, the war stopped and the war industries stopped with it.

But stopping the war industries did not start the peace industries again. The exhaustion that stopped the one necessarily prevented the starting of the other. As a result, in every European country engaged in the war the industrial population is idle. England is paying unemployment allowances to a million persons. Italy still has a million men under arms whom she dares not disband

<sup>1</sup> These lines were written in the summer of 1919. The delay in the publication of the book, due in part to conditions related to those here described, makes these statements seem extreme. Europe has made progress toward recovery and in parts something like normal conditions are beginning to prevail. There is reason to believe, however, that reports of improvements are exaggerated for reasons of policy, and that conditions are more nearly as here described than current reports would indicate.



because they would go back to idleness and starvation. To keep them under arms and therefore under military discipline is a matter of self-preservation. Similar conditions exist in France, and distinctly worse conditions in Germany, where the army demobilized itself without finding its old time place in industry. Throughout the Central Powers large numbers of former soldiers have settled down to a life of brigandage.

Why does not industry resume? Because it lacks both materials and appliances. In Belgium and northern France, as is well known, factories have been destroyed and the physical basis of industry in this most essential sense is lacking. In Germany there has been little destruction of this sort, but the country is hardly less handicapped by an almost complete breakdown of transportation. The railways in Germany, and for that matter, throughout almost the entire continent of Europe, have been literally worn out. The tracks are demoralized, the locomotives in disrepair, and the cars broken and largely unusable. The allies at the time of the armistice compensated themselves in part for the heavy wear of their own equipment and for Germany's earlier seizures in Belgium and France, by enormous reprisals which took most of what Germany possessed in workable condition. To those who remember the German railways as among the most efficient in the world, it will be an impressive reminder of war's havoc to learn that today people may starve in interior Germany with food piled up in German ports, so impossible is it to secure the necessary transportation.

The lack of factories on the one side and of transportation on the other would be a sufficient handicap, but this is aggravated by an almost complete lack of raw

materials. In this respect the Central Powers doubtless fare worst. The long continued blockade cut off those supplies not produced in their own territories, and existing supplies were consumed for war uses. Even supplies produced at home, like coal, are no longer produced in sufficient amount because dead industries no longer demand it and private consumers can no longer afford it.

The allied countries have not suffered from blockade, but they have suffered almost equally from the destruction of their ships. At a time when all their space was required for war material and men, and the supply of ships was daily diminishing, the importation of things not absolutely essential was prohibited. Stocks therefore declined to the vanishing point, and post-war conditions have not permitted their renewal.

It may seem that this condition will speedily rectify itself when blockades are lifted and hostilities are at an end. Half the world has what the other half wants. What more ideal conditions for trade? Unfortunately these are not the conditions of trade at all. Each side must want what the other has and must have what the other wants. All Europe today wants our food, our cotton, our machinery, our everything. But Europe has nothing to give in payment. The purchaser of raw materials usually stands ready with his finished products. Today he has nothing. He has produced nothing for years. All that could be used in war has been used up. Everything that could be worn has been worn out. All that Europe can offer today is its naked hands and its business reputation.

Unfortunately even this basis of confidence has been impaired. Long years of military service wean men from industry. Months of idleness do far worse. It is a



pitiful fact that the psychic factors of industry are easily perverted and destroyed. Men long idle learn to love idleness, even on the most meager basis of living. Of the million men in England now living on government allowance, many have refused to work even when they had opportunity. Their allowance is continued because the government dares not drive them into bolshevism, an alternative which in many cases they would prefer to honest labor.

There are, of course, excuses for this attitude. Excuses never fail to second inclination. The laborer is not in the right place. He does not know where to look for the labor which he prefers. The labor offered is not to his liking. Personal relations are unsatisfactory. Fundamentally these excuses spell disinclination. Yet to a degree they have a new justification. Much in the way of organization which formerly brought the laborer to his job has disappeared. It is one of the missing parts in the industrial mechanism.

Taken altogether these various disabilities constitute almost an inhibition upon industry, even that which is physically possible. Agriculture, the most locally self-sufficient of all industries, suffers with the rest. The next harvest, we are told, will be smaller than this. Thousands will starve next year for lack of food they will not raise and can not buy.

The plain fact is that Europe can not live under this new handicap. She must get rid of it, and that at once. Every additional month of demoralizing idleness is another millstone round her neck. It must not be forgotten that at best she labors under a disadvantage. Her industries are remote from the sources of many of her raw materials and she must do a lot of free transporting,

back and forth, to meet American and other competition. Only superb organization, technical skill, and habits of industry can enable her dense population to live by their industry. Her exchange of finished goods for raw materials must be constant and delicately balanced or she is lost.

That exchange has been interrupted and the balance destroyed. The war has consumed her finished products without recompense and largely destroyed her industrial plant. Europe herself is powerless to restore the balance. She has not the wherewithal to buy the materials nor the time to rebuild the plant. The demands of her hungry millions are importunate. Men can not fast while railroads are being rebuilt. Starving men are poor philosophers and their prescriptions for social ills are more drastic than discreet.

This profoundly modifies our relation to other nations. Hitherto we have compared them as regards size, wealth, population, natural resources. These are important factors and we may justly congratulate ourselves on possessing territory, population, wealth, and natural resources which entitle us to the first rank among the nations. But inferiority in these respects is, after all, not a serious handicap to healthy peoples. The possession of coal mines and cotton plantations under our political jurisdiction gives us no monopoly of these resources. Their product is sold in the open market and goes to the most competent bidder. A cotton bale from Texas is as likely to land in Hamburg or Liverpool as in Fall River. Location and other physical conditions count, but political jurisdiction and race are not the determining factors. Industry knows little of nations. Belgium is one of the smallest and least favored, yet industrially she has become

one of the great powers. Healthy nations labor under no fatal handicap.

But Europe is sick, sick unto death. The war has left her anæmic in her whole industrial and social organism. Comparisons of large and small, rich and poor, all these are as nothing to the one great overshadowing contrast of sick and well. Not that here we can be too complacent. No honest examiner would give to the American nation a clean bill of health. But all things are relative, and if we are not free from infirmities or from anxieties as to whereunto some of these things may grow, in this moment of supreme trial the American people must be esteemed to have the advantage — and the obligations — of comparative health. We are the well men, the strong men, the rich men, in a sick and impoverished world,— not well enough to be matter for exultation but well enough to have our work cut out for us in the coming perilous and strenuous days.

If the facts thus far noted regarding the power and position of the United States are matters for congratulation to Americans, it is not in that spirit that they are here recorded. Quite aside from any sympathy that we may feel for Europe in her pitiable condition, there are plenty of reasons on our own side for moderating our exultation. It is easy to say that "this country is the darling of the gods," but such favor is not always a matter for congratulation. There is ground for the old Roman superstition that the gods were envious of good fortune, and conversely for the Christian doctrine that "whom the Lord loveth he chasteneth." Historic analogies for our position are few, but they are not wholly without significance. The position of Rome after the destruction of Carthage is not unlike our position following

the self-destruction of Europe. The destruction of Carthage eliminated the one serious competitor of Rome. A hundred years of unbridled dissoluteness and civil war was the reward of this unchallenged supremacy. It took two centuries more for Rome to acquire, even measurably, the moral qualifications for her great task, and even then the loss of her republican institutions and the hopeless demoralization of the great capital were the price she had to pay for her great privilege.

We are better than Rome, we think. We have talismans that she did not possess,—Christianity, Democracy, Education. Will these not save us from her fate? Let us hope so. But these are not automatic guarantees against the dangers that beset us. They are only names by which we designate higher aims, deeper insight, and more strenuous moral purpose. If they are to save us, it is, after all, we who do the saving. If we have a larger knowledge of the world's needs, a greater power of self-denial, and a more persistent constructive purpose than the Rome of the Scipios, we may better endure the ordeal. For it is an ordeal, this favor of the gods.

It is no part of my purpose to raise trite questions of personal morals or to express misgivings as to our worthiness or capacity for the part assigned. I am no croaker, nor is this book a moral lecture. I cherish the hope that this favor of the gods means that the gods have judged us worthy. I welcome their mandate, even if somewhat soberly. But I can not escape the conclusion that it is a mandate involving both difficulty and peril. Whether we can with any approach to equity control the wealth of the world, be the chief purveyor of raw materials to our competitors in industry, and hold a mortgage upon

their plants, is a serious question. And failing to do so, can we resist attack from without? Can we resist disruption from within? America has a supreme opportunity. Will America make good?

## CHAPTER V

### THE REHABILITATION OF EUROPE

THE situation created by the war presents two distinct problems. There is first the emergency problem. Europe is like a region devastated by flood or earthquake. There is an instant demand for relief and a more or less prolonged demand for considerate treatment. Rivalries must be forgotten and self-interest held in abeyance. In its first and intensest form the appeal is for charity. Help must come as a gift. No measuring, no bargaining, no accounting is to be thought of. That has been the demand of the war period. To some extent the demand will long continue. The supreme ordeal is over. No longer do thousands of refugees crowd the highways before the advance of invading armies. No longer are deported populations left to starve in desolate regions or the inhabitants of invaded districts left dependent upon foreign charity. Such is the easy conclusion, a conclusion partially justified.

The war is over, but its devastations remain. There is a tremendous aftermath of war which still makes its demands upon charity. The Belgians are still unemployed and the bread line is in their cities. The Armenians who survive are not yet in their homes, nor does return to their homes restore their means of livelihood.

Above all, there remains the chaos of readjustment. Few realize to how great an extent transfers of territory



result in expatriation and exile. Nominally this is voluntary, but it is a very constrained volition. When Germany annexed Alsace-Lorraine in 1871, she adopted the usual policy of offering the inhabitants their choice of swearing allegiance to the new government or leaving the country. Half a million of them left. This was voluntary, no doubt, but the sentiments that induced the choice were of a very compelling character. Let us suppose that the fortune of war had enabled Germany to annex Long Island and a like option had been offered. What would have been the general choice?

It will be readily understood that property is not disposed of to advantage under such circumstances or satisfactory industrial relations at once established. Sacrifice is universal, destitution frequent. It is not quite the pitiful train of refugees fleeing before an advancing army, but it has its analogies.

With the reannexation of Alsace-Lorraine by France, all this must be done over again. Again the option will be offered and again the choice will be nominally voluntary and actually compelled. After the events of the past five years what will be the sentiments existing between the two peoples there commingled? How many of the Prussian immigrants of the last fifty years will care to stay? What will be their social status if they do? No treaty provision for the protection of minorities, no law however well devised or honestly administered can make their situation tolerable. The migration must recommence.

We have taken the most favorable case, a case where only highly organized peoples are concerned and small areas are affected on the edge of large territories peopled by kindred and friendly peoples. Germany may be

trusted to take care of her Alsatian exiles. France too, perhaps, may be trusted not unnecessarily to aggravate their lot. But there are other and very different cases.

I chanced to be a witness of the migrations following the Balkan wars. Macedonia had been taken from Turkey and parceled out among three bitterly hostile nations. These had been pledged to respect the rights of the annexed populations, but pledges could not hold in leash the passions of their peoples. From the territories acquired by Serbia came the exiled Bulgarians. From the Greek territories the Bulgarians and Serbians, from the Bulgarian territories the Serbians and Greeks, and from all, the Turks, anathema alike to Serbians, Bulgarians, and Greeks. On the docks of Salonica, the great clearing house of these migrations, swarmed the hapless refugees, their lands and flocks abandoned usually with no compensation, their few movables,—domestic utensils, relics, heirlooms, and ancient finery,—piled in the center of each little family group, and there they waited for the ship that should take them from the dull misery of the present to the duller misery of the unknown. If a ship came in bound for Asia Minor, discharging perhaps first its burden of Greek refugees, the Turks swarmed aboard till they and their belongings packed the deck as cattle pack a cattle car. If the ship were headed for the Piraeus it was similarly crowded with Greeks. Seventy-five thousand Greek refugees from Anatolia are said to have been at one time a burden upon the slender resources of Athenian charity. What the Turkish refugees found in Anatolia we can imagine.

The broad fact stares us in the face that this war has resulted in immense dislocations of peoples and sovereignties. Over large areas the under has become the



upper dog. In most of these areas there has been little mitigation of the canine temper. The peace conference has been keenly aware of this danger. Provisions have been incorporated in the treaty looking to the protection of minorities,—provisions to which, significantly enough, some of these newly constituted or enlarged nations have taken vehement exception,—but experience has long demonstrated the futility of such provisions. If these peoples do not wish to protect these minorities, treaty pledges will not make them do so. Above all, governments are unable to control the amenities of social intercourse. If we do not wish certain people in our midst, we can usually freeze them out. We can refuse them social recognition, deny them employment and business opportunity, and if necessary resort to violence, all with comparative impunity. That east central zone of Europe where we are starting a whole brood of new nations, is the home of the pogrom, and it is here that opposition is openly expressed to provisions for the protection of minorities. If law is impotent, even in the hands of a well-meaning people, we may imagine how helpless will be treaty provisions and distant outside pressure.

We need not go into details regarding individual countries. The broad fact which concerns us is that the peace settlement involves an immense amount of dislocation and hardship. Such readjustments as impend in Asia Minor, the Balkans, the Hapsburg territories, and above all in that vague zone which stretches its ethnic patchwork from Berlin to Petrograd, involve more than a hundred million of people, large numbers of whom must suffer great hardship. It can hardly be doubted that extensive migrations will result.

In all of this misery charity will find and should find

but a limited place. It can not be too strongly insisted that charity is but a palliative, a purely provisional and emergency measure. To carry it ever so little beyond these limits has disastrous reactions. But limited as is the part of charity in the work of reconstruction, that part remains and must be both prolonged and considerable.

To America, the all-powerful and the unscathed, the appeal must chiefly come. That it is coming, the succession of "drives," "tag days," and the like with which we are becoming familiar sufficiently testifies. The response is a would-be generous one, but hardly one to warrant complacency. Indeed it is with something akin to chagrin that we read the comparative statistics of American, British, and French contributions to Belgian relief during the years of our neutrality. Already the wealthiest nation in the world and growing rapidly richer during those years of privilege and hectic stimulation, we contributed but the merest fraction of the amount contributed by these sorely tried powers, whose cause commanded our sympathy so long before it enlisted our support. Hesitant as we have justly become about encouraging charity, it is impossible to overlook the fact that apathy rather than scruple in this case limited our activities. We need not assume lack of generosity as the explanation. We were far away and could not realize. We have moved nearer, permanently nearer, and we must realize. The signing of peace has not signed away the misery of the war.

But charity, however necessary, is not the need of Europe. Many as are the emergency demands which must long assail us, they are negligible as compared with that need for which charity is no remedy. This need

is nothing less than the physical reconstruction of Europe. Scarce a country is exempt from this great necessity. Foremost among them stand Belgium and France, with whom fate has dealt most cruelly. Italy has suffered hardly less. All the Balkan countries have met like disaster, and if their losses are less, it is only because they had less to lose. If these countries have fallen less it is because they had not so far to fall. Their need is no less as judged by modern standards of civilization.

Germany and Russia appeal less to our sympathies, but for the moment we are concerned with industrial equipment rather than with sympathies. We may resent the fact that Germany suffered so little from the war. She suffers enough from the peace to satisfy the most vindictive. But sympathies and antipathies are alike irrelevant. In Germany as elsewhere the cupboard is bare. And the Hapsburg countries are in worse case. Shattered as an empire, handicapped by new divisions and economic barriers, and burdened with colossal debt to the outside world, these countries face renewal of the economic struggle with empty hands.

Russia may seem to be beyond the pale, and it is clear that under present conditions she has effectually closed her doors against outside investment or help of any kind. But nothing could be more unfortunate than to leave her out of our calculations. When Germany recovers, and for that matter long before she recovers,—indeed as a chief means to her recovery,—she will begin the exploitation of Russia. Geography will be her potent ally. Previous relations and knowledge of the people will give her an enormous advantage. England and France, preoccupied with their own great needs, will offer no effective opposition. The industrial reorganization

of Russia by Germany will be the sure precursor of political and military control. The world empire which she lost in Europe she may yet win in Asia. The one combination which Western civilization has yet to fear, a combination of Teuton, Slav, and Mongolian, will be the inevitable outcome of leaving Russia outside the pale.

The plain fact is, we must finance Europe. It isn't a case of charity. It isn't merely business. Yet it partakes of the nature of both. Europe asks no gift. She can and will repay and will pay good interest. She has learned the lesson of business honor. So far it is business. But it is more than business. The transaction involves something more than good credit and good interest. There is in it the best guarantee we can have of world peace and orderly social evolution. If the honest masses of Europe have a chance to earn a decent living they will do so. If they do not, they will turn brigands. They will not accept peaceably a lower status than that of five years ago. Indeed it is much to be doubted if they will again be satisfied with that. The war with its unstinted pouring out of the world's accumulations has accustomed millions of men to a scale of living that is woefully in contrast with a condition of world poverty. That scale of living they will not willingly surrender. It will be useless to argue, to expostulate. The alternative of revolution with its world-wide contagion is always there. The scale must somehow be maintained. There is but one possible way. Appliances more efficient and productive than any they have known must be placed in the hands of industry. The destroyed capital must be replaced and more than replaced if we are to avoid disaster, a disaster from which we shall

nowise be exempt. It is a good investment but a compulsory one. We refuse it at our peril.

It is time we outgrew our provincial psychology. So long as we were making our way on even, or less than even, terms we might reasonably cling to every advantage and make as unsparing a use of it as honesty permitted. If we had more coal, better machines, or better methods, we might reasonably try to retain them. But immense disparity of power and advantage inevitably limits privilege. That is the meaning of *noblesse oblige*. Our superiority over Europe has suddenly become overwhelming. We may well ask ourselves whether it can peaceably continue. Certainly not if it assumes an aggravated form. We must not try unduly to exploit the situation. Europe will willingly accept the relation of an interest paying tributary, the relation which we so long and so profitably sustained to her. She will not willingly accept a condition of destitution while we indefinitely expand our ample industrial equipment and permit ourselves a life of sumptuous indulgence.

Let us put it as concretely as possible. We are said to have cleared thirty billions in the last five years over and above our ordinary and extraordinary expenditures. Europe, though covering much of her immense expenditure by economies, is at least thirty billions poorer than when the war began. She asks for no gift, and we should offer none, but it is good business and minimum comity as between nations that we should loan our gain to meet her losses. We can probably safely spare that much. Europe certainly needs that much.

The objection will undoubtedly be raised that these matters are regulated automatically, that investment



follows profits as the needle turns to the pole. If Europe can offer good security and good returns she will get the money. If she can not she will not. Investment knows no patriotism.

It is farthest from my intention to question the existence or power of the great economic incentives that never relax their pressure and with which we must always reckon. But other incentives are always present and sometimes paramount. Does anyone imagine that the purchase of Liberty Bonds was based wholly on economic inducements? A friend of mine who was enlisted in the bond campaign tells how he started on this assumption. In his first speech he proved that with tax exemptions and other advantages these bonds would yield a larger return than any other sound investment. His audience was apathetic, then restive, and at last greeted him with jeers. He knew better next time. It was interest in the nation and the nation's cause that sold Liberty Bonds.

It is a like interest of a larger kind to which appeal must now be made. Have we grasped the fact that our nation no longer protects our vital interests, that the things we bought these bonds to secure are now and henceforth in the keeping of a group of nations not one of which can stand alone? If the group goes to pieces or becomes weakened and demoralized, these interests are sacrificed, even though our part of the line be held ever so strongly. If we haven't grasped this fact then we may as well close the book and leave to a more teachable generation to learn from other and harsher scourgings the inevitable lesson. But if we have grasped this fundamental truth then the group of nations becomes our larger patria and claims our larger patriotism. Sentiments akin to those that sold Liberty Bonds must

sell the Humanity Bonds of the new era. To put it more concretely, there must be a patriotic interest in the rehabilitation of Europe. Those peoples with whom we have shared, all too inadequately, the comradeship of calamity must henceforth be our comrades and associates in the world's work. The association must not be one to exclude rivalry or competition — far from it — but that rivalry must be such as exists among the cities and states of our own country, a rivalry fierce and unsparing, but conscious always that the vital factor in the welfare of each is the welfare of the larger whole.

In considering relations so vast the individual is apt to feel helpless. What has he with his little savings bank account to do with international finance? That is a matter for the great financiers. Do we realize that the great financiers are merely our agents and that the wealth they dispose of is not their own but ours? If they negotiate a loan to Europe it can only be with the expectation that it will be "absorbed by the market," that is, taken up by individuals like ourselves. Or if not by individuals, then by savings banks, trust companies, and insurance companies, the repositories of our savings and the intermediaries for their investment. If the financiers finance Europe, it will be with wealth that we furnish, wealth that we create and save.

Whether the loan should be made to European nations and business interests on their mere promise to pay, or whether their condition is so desperate that customs receipts and other individual revenues must be mortgaged for their payment and a virtual receivership established, as Mr. Vanderlip contends, we may safely leave to such men to determine. But the means and therefore the general decision must come from us. Will the interest



that Europe can pay and the security that she can offer be a sufficient inducement to divert American capital from our own attractive investments, above all, to stem the tide of luxury expenditure which has gathered momentum from long restraint? It is to be doubted. There is need of a new patriotism, a larger patria. Financially we must annex Europe, and our horizon of thought and feeling must cease to be a merely American horizon.

For business itself, even the most uncompromising, still owns the sway of the imagination. It is not actual profits that lure the investor but the profits pictured by the imagination. If our thought is narrow in its range and our sympathies provincial, the remoter opportunities will not attract us, however enticingly they beckon. The problem of Wall Street is a problem of the imagination. How much more the problem of world finance as related to the world's order and peace? The peace of the world depends today far more upon an equitable distribution of the means of living than upon a League of Nations.

## CHAPTER VI

### THE CONTINUING EMERGENCY

IF we have followed the reasoning of the preceding pages to any purpose their lesson is plain. The conditions under which we lived before the war have not returned and will not return. For a long time to come we shall be confronted with difficulties so great and demands so exacting as to constitute virtually emergency conditions. We have recognized the existence of such conditions during the war. We have relinquished accustomed privileges, denied ourselves familiar indulgences, accepted unwonted limitations upon our liberty, and consented to strenuous exertion. Party politics have been largely laid aside. Capital and labor have made unusual concessions. Protestant, Catholic, and Jew have worked in unprecedented co-operation. Confronted by a great danger, we have risen to the emergency.

The emergency is not past. The danger which confronted us at the frontier now reappears in more insidious form in our midst. We have won everything in the war. We may still lose everything in the peace. The war has been a work of destruction. That work has been done with unexpected thoroughness. We have not only destroyed life and wealth on an unprecedented scale, but we have overthrown governments and shattered the very framework of society. The destructive impulses have been terribly unleashed and the restraining

instincts are in abeyance. Human restiveness has gotten out of hand.

In this dangerous temper of mind men are being subjected to unprecedented pressure. Objective conditions are undergoing whirlwind changes. Economic forces are in chaos. Currency inflation coinciding with diminished production subjects industrial relations to intolerable strain. Inadequate food supply and the released demand of Europe, obeying immutable economic laws, send prices skyrocketing and make wage advances nugatory and wage contracts untenable. The chance beneficiaries reap unearned profits and accumulate undeserved fortunes, too often doubly irritating through vulgar ostentation. The universal disturbance, largely impersonal and automatic in its action, is attributed to personal malice and greed. The outcry is raised against the profiteer. Bitterness and suspicion complicate all relations.

Under such circumstances the purveyor of nostrums flourishes. There are strikes for more wages, and when repeated advances result only in increased cost of commodities and afford no permanent relief, then there is a demand for the elimination of the middleman, for the limitation of profits, for the punishment of profiteers, and failing adequate results from all these sources, the demand is for government regulation of prices, for government ownership of the instruments of production, for the payment of industrial deficits through taxation, and, of course, for the shifting of the burden of taxation on to wealth and capital.

The obstacles which our political institutions present to these radical transformations bring upon them in turn the disfavor of the hour. There is a plea for the abolition of constitutions, for the coercion or intimidation

of courts, and for easier and more direct methods by which popular irritation and passion can express itself through legislation. There is not an institution in society that does not rock under the strain of this world earthquake.

These appeals to drastic measures are greatly encouraged by our recent war experiences. Like the Romans of old, during war we accept a dictatorship. Our most cherished liberties are held in abeyance. We accept dictation as to what we shall eat, what we shall wear, what we shall say, almost as to what we shall think. We submit to limitation of prices and — its inevitable corollary — the rationing of our supply. The memory of these things is fresh with us and we grasp at such parts of the war program as seem to promise relief. Commodities are too dear and we can not buy all we need. Limit prices and then we could buy more. We do not grasp the fact that there isn't more to buy and that if we limit prices we must confirm the very limitation against which we chafe. Or if we do grasp this fact and seek government regulation as an alternative to scarcity prices, we are not always mindful of the vast incubus of officialism with its attendant corruption and evasion, which such regulation necessitates when once the volunteer patriotism of war conditions has subsided. In short, the world-wide misadjustments caused by the war irk us and we grasp incontinently at measures of relief which often bear but little relation to the cause. In this mood of universal restiveness every apostle of discontent finds his opportunity. Every working arrangement is criticised, every institution, even the most fundamental, is attacked. Reconstruction of the most far reaching character is proposed and seriously entertained.

There is, of course, comparatively little that is new in these proposals, but they acquire a wholly new character from present conditions. It is not so much that they have a new following as that they are urged with a new passion. It makes all the difference in the world whether our passions are in hand or out of hand, whether we are driving or having a runaway. The pace is fast and furious and our passions are hard at the bit. Meanwhile the reckless are lashing them to fury.

It must not be overlooked that we are as yet only on the edge of the storm. The tempest rages far worse in Europe than here. We are threatened with revolution. In Europe revolution is an accomplished fact. We have every variety of it from the overthrow of autocracy in Germany and Austria with the nationalization of mines and natural resources and the confiscation of landed estates without payment, to the establishment of soviet rule in Russia with the virtual abolition of family, church, property, and all else with which we are familiar. It is hardly necessary to note the relation of these events to like proposals with us. Every one of these proposals has its following here and this following is immensely encouraged by present results in Europe. Theories which were long dormant or which existed among us merely in academic form, have become suddenly active, not to say virulent. Even so, there is reason to believe that the agitation is as yet only in its incipient stages.

But we are threatened by an onslaught from Europe in quite a different sense. So far Europe in her condition of unrest and distress has been physically held at bay. The interruption of communications has prevented emigration and the paralysis of European industry has prevented competition. Neither of these conditions will

continue. If the Europeans stay at home, they will work under a desperate handicap, and no matter what their protests, they must accept a very low remuneration for their work. This means a desperate competition with our own industries not only in the world's markets which are now indispensable to our industry and which the war has largely placed in our hands, but even in our own markets, from which foreign goods can never again be excluded. Even if we do not export a dollar's worth of goods to Europe,—a wholly preposterous supposition,—we expect from half a billion to a billion dollars a year interest from Europe and this can be paid only in commodities. If our exports develop normal proportions the amount will be very much greater. If Europe stays at home, therefore, we are going to be confronted by such an invasion from Europe as we have never dreamed. It is paradoxical but it is true.

But Europe will not stay at home. The meager returns that impoverished Europe can offer to her dense population will not be accepted, following the prodigality of war time, if any other alternative is offered. Such an alternative will obviously be found in emigration. We may accept it as certain that if transportation is available at least twenty million Europeans will seek to emigrate as soon as the gates are opened. Our country is no longer the only country for the immigrant. We no longer offer the free homestead or many other inducements of the early days. On the other hand, Canada, Australia, South Africa, and Argentina more nearly duplicate these early conditions and will doubtless attract the majority of these prospective settlers. But we have still the advantage of immense developed industries and an almost unlimited demand for labor. The immigrant



who brings nothing but his hands and whose first demand is a job, is likely to look our way. We shall not lack for our share.

The pressure will not come from Europe alone. Japan has experienced to the full the transforming influences of the war. Her industries have been stimulated to unprecedented activity. They have made heavy drafts upon the country population, upon whose unremitting toil in the rice fields the food supply of Japan depends. With a diminishing food supply, the great industrial cities like Osaka have multiplied their dependent industrial population. The population drawn from the country to the cities, in accordance with a seemingly universal law, never consents to return. Already there have been rice riots in Japan with denunciation of the profiteers. What will be the result when the recovery of Europe again subjects Japanese industry to the pressure of its powerful competition? What will the government do when a hard pressed industrial population seeks relief from its distress through impossible demands? We have reached certain fairly definite conclusions regarding Mongolian immigration. We are perhaps little disposed to change them. The one certain thing is, however, that the Mongolian is going to knock at our doors with a new insistence.

These are some of the emergency conditions that confront the United States as we emerge from the great war nominally at the pinnacle of earthly power. We have inherited an almost illimitable domain with advantages of position and resource which defy calculation. But we have inherited with it disturbing forces of the most serious character. We share in no small measure



the world's acute distress. We share in a much larger measure its threatening unrest.

The problem of the hour is to deal with this acute disorder without confusing it with our permanent problem of growth or compromising that which is essentially sound in our institutions. Present problems are simply old problems presented under new and transient conditions. We must consider both these transient conditions and the more permanent interests, but without confounding the two. We must have temporary measures to meet the one and a permanent policy to meet the other. There is the gravest danger at the present moment that this relation may be reversed and our permanent policy shaped by temporary conditions.

This, then, is the purpose of this book: to examine some of our familiar problems in the light of these new and highly abnormal conditions, to disentangle, so far as may be, the permanent from the adventitious, and to rescue in some measure the study of our social problems from the perturbing passion of the moment. There are emergencies to be met; there are reforms to be effected; there are social structures to be completed, and there are things to be held against the clamor of a bewildered public. If in the following discussion the emphasis is laid upon the more permanent interests it is simply because they are more permanent and because for the moment they are receiving less recognition than is their due. We are somewhat in the condition of a careless liver who is suddenly paying the penalty with acute distress. What he craves is immediate relief. Suggestions of dietary change and slow remedial measures seem inadequate, even irritating: Yet they are, after all, the main thing, the

only permanent hope. There is a place for palliatives as for true remedial measures, but they are not to be confounded, and considering the mood of the patient, emphasis may well be placed upon the latter.

## CHAPTER VII

### THRIFT

LET us recall the main fact of our previous survey. America is the repository of the world's wealth. Europe is destitute. We can and must finance Europe. It is good business, for the industrial capacity of Europe is one of the world's greatest assets and we shall be repaid with interest. It is common humanity, for Europe must have help and there is nowhere else to get it. And it is common prudence, for the collapse of Europe would sooner or later involve us in her fate. Our mandate is perfectly clear, and is one equally of opportunity and of obligation. It must be and will be accepted without hesitation.

What is our first step? Obviously to save. We have not been a saving nation. We have made a great deal of money, often by comparatively easy processes which amount to little more than digging up our minerals and slaughtering our forests, and selling them to provident Europe. This wealth which partook quite as much of the nature of patrimony as of income, we have spent freely, not to say wastefully. It is hardly an exaggeration to say that thrift was disparaged among us and was usually spoken of as parsimony or worse. The great war has for the first time given it a brief popularity. The prodigious results that have come from its brief exercises sufficiently suggest its habitual neglect.

There are disquieting indications that we have returned

to our old ways. The armistice released the catch and the spirit of indulgence came up like Jack in the box. In the Western state in which I sojourn for the moment, the income from automobile licenses for six months exceeds that of last year's *twelve* months by eighty thousand dollars. It would have been more if the companies could have furnished the machines. This case is but typical of hundreds that we see on every hand.

This isn't all indulgence, I know, but it isn't all business either. Even the business car is at times more a concession to business indulgence than a contribution to business efficiency. The fact is that the riding mood is on. Nor is it due to present industrial prosperity. The transition from war to peace is not yet effected and efficiency suffers in consequence. There is temporary occasion for circumspection. But we are not spending this year's profits. It is the profits of past years that we are spending. We are digging into that thirty billions that we saved to meet America's need and that we should still save to meet the need of Europe.

But meanwhile the automobile manufacturer flourishes and others in like case. A tender solicitude for their interests and for the interests of those in their employ readily furnishes a congenial answer to the plea for thrift. If we don't buy their automobiles how are they to prosper and how are their employees to live?

It will clear the air if we recall what it is that we send to Europe in response to her need. It is not mere paper symbols of wealth. These are at best but permissions to Europe to help herself to good things out of our store house. It isn't gold. There isn't enough gold in the world to make a beginning at such a loan. Nor would the gold be useful to Europe except to

exchange for concrete commodities of which she has need and which she can get only from ourselves. Europe must take her thirty billions in locomotives and steel rails, in structural steel and timber, in copper and lead, in machinery and raw materials, in clothing and food. These things must simply be sold on trust to be paid for at a later day. They will crowd the holds of outgoing steamships for years.

Now if our economy in the use of automobiles throws some of their men out of employment, they can go to making the locomotives, machinery, and other articles which are sent to Europe. In other words, what difference does it make to industry whether we buy automobiles for our own use or buy locomotives to lend to France? Of course, if we make violent transfers from one to the other it will cause confusion and loss, but there need be no such violent transfer. The proposed loans to Europe would rather have eased the transition we are now making. Our war industry could adapt itself to reconstruction tasks more easily than to the provision of our American luxuries.

A long period of thrift and accumulation is therefore plainly before us. European need, industrial readjustment, and national advantage all point that way. We have had our lessons in the rather unnational art of saving and have gotten our pace. It paid enormously. Every consideration of humanity, patriotism, and personal advantage bids us keep it up until the devastation caused by the war has been made good.

It has been suggested that our thirty billions of profit should be loaned to Europe to cover her loss of like amount. This was but a convenient illustration, however. In reality it must be another thirty billions, not

this one, for this is already beyond our reach. A nation does not save up its five years' profits in the shape of cash in the bank or other form available for easy transfer. The profits of each year, almost of each day, are forthwith wrought into the permanent fabric of our industrial structure. If we look for it we shall find it in new factories and stores, new machinery and engines, new highways and new homes, substantially all a fixture and unavailable for any other use than that to which it is now put. In the present case ten billions of it has already been loaned to Europe and has been consumed in the fiery furnace of war. It exists for us only in the form of Europe's pledge to replace it out of her future production. No, this thirty billions is gone or spoken for. What we loan to Europe henceforth must be the product of new effort and new economy. There is no time for us to have our fling till Europe is saved.

But free spending is not the only obstacle to the meeting of our national obligation. "Easy money" tempts some men to accumulate as it tempts others to spend. If this impulse is sober it takes the direction of investment with reliance upon income for increase. If it is feverish it takes the form of speculation, with an attempt to profit by fluctuations in value. This speculative temper is strikingly apparent just now in the so-called "return of the bull market." The demand for stocks of unknown and speculative value surpasses all precedent. Under present conditions, with an almost universal rise in prices, such stocks as a whole are rising in value. The buying craze still farther forces up their value. The result is profits for the speculator and, of course, a renewed temptation to try his luck at the game. The final result is absolutely predictable. The fever ultimately



results in general infatuation. Prices are forced to a point which earnings will not justify, there is a break in prices and those who are last in the game are ruined.<sup>1</sup>

We have no occasion here to moralize on this dangerous pastime. In its extremer form speculation is a social malady and has disastrous reactions upon industry. In its moderate form it undoubtedly performs a social service, putting a powerful and stimulating pressure upon business management and lessening enormously the shocks which industry receives from fluctuating conditions. So far as normal speculation results in transfers of wealth, it is usually in the way of accumulation and in the interest of ultimate productive efficiency. These are mild compensations for such injuries as individuals suffer, and both the compensations and the injuries may be left to the reader to estimate.

But a crescendo of speculation such as that which we are now witnessing has reactions upon industry which deeply concern our national task. These speculative dealings are in reality investments, and though fluctuating as regards individual owners, they are in the aggregate permanent. Interest in speculative undertakings means investment of our capital in these undertakings, and necessarily its withdrawal from other undertakings. At a time when we have met the more fundamental obligations, and are free to dispose of our surplus as we please, a certain investment in undertakings that are experimental and therefore speculative is legitimate and wise. These are the growing points of a nation's industry, the few successes being worth the many failures, if not to the individual involved, at least to society as a whole.

<sup>1</sup> The crash has come since these lines were written.



But at a time when enormous investments must be made for the replacement of things which have long since been tested out, the diversion of available resources to highly speculative investments is most regrettable. This isn't the time to try out new things. No matter if the owner can afford to lose, we can not afford to have his capital sunk and destroyed. Such slight means as society may wisely employ to constrain the individual in such matters may legitimately be used to commandeer, so to speak, his capital for the socially needful purpose.

The need of the hour is saving, not spending, investment, not speculation, investment the soberest and least fluctuating possible. So far as the financing of Europe is concerned, every vestige of speculation should be and will be eliminated. If there is doubt as to whether Europe will ever get on her feet and repay the moneys loaned,—a doubt that no competent person seems to feel,—that danger should be discounted and set over against the great ends sought. We can and must take chances on Europe.

But that is no reason why we should finance European speculative undertakings. Individuals may and will do so, for there are those who seek such ventures over land and sea. But the need which appeals to the New World patriotism is the need of the basic elements in our modern industry, things to which experience has given as much of certainty as experience can ever give.

What can the individual do in a problem whose relations are so vast and whose mechanism is so intricate and so mysterious? Simply save,—nothing more. The money deposited in the nearest savings bank goes to its destination as does the letter deposited in the nearest post box. These are the repositories of investment funds

as contrasted with the speculative funds from the custody of which they are debarred. That the individual deposit should go into a domestic rather than a foreign investment makes little difference. It swells the fund from which investments can be made and by a series of displacements eventually reaches its destination.

If larger funds are available and for more permanent investments, the designation can of course be made definite. The habit of investing in foreign securities must be slowly acquired as a part of the new patriotism, the patriotism of the free nations. Nor can it be left to a few individuals of large means. Large means are very small means when it comes to such interests. It was not Rockefeller who floated the Liberty Loan but twenty million Americans of smaller fortune. Nor can the men of large fortune withdraw their means from present investments without widespread injury. They do not carry their wealth in their pocket.

But the essential thing is a national habit of thrift such as France has so long known, a thrift that shall not only restore the ruined places and equip the idle millions again for the wholesome tasks of life, but shall save us from that orgy of vapid or vicious spending of the vast wealth to whose use we have not yet grown.

## CHAPTER VIII

### TOOLS

IF we are to finance Europe and put back into the hands of three hundred million people the instruments of production which the war has destroyed, we must do more than save from our present income. We must have more income to save from. As a nation we must produce more wealth than we have been producing. We can make dollars where we can save dimes, if we can correct some of the most obvious defects in our productive mechanism. For enormous as is our national wealth and immense as is our annual output, the one thing about which all schools of opinion are agreed is that it is but a fraction of what it might be without additional effort or hardship on our part.

The production of wealth obviously depends upon many factors, the efficiency of labor, its good will, the tools or equipment that the laborer has to work with, their management and control, and the like. To discuss all these factors and their relations to one another would require a systematic treatise on political economy. Such a treatise is farthest from my purpose. The general principles of political economy are matters of common knowledge, at least to a sufficient extent for my purpose. I have in mind merely to point out their application to certain very practical problems of the hour. And first is the problem of our industrial equipment as a nation.

No one knows better than the workers the importance of tools. A man can not do good work with poor or inadequate tools, and if he is a good workman and has the pride of his profession, he resents being asked to work with an outfit that is unworthy of his trade or his skill. He is proud of his tools and very careful of them. He adds to their number with keen satisfaction and often in preference to other personal indulgences. You can tell the man's quality as a workman very largely by his attitude toward his tools. The quality of the tools themselves will, of course, very largely determine his efficiency.

Now it is in precisely this spirit that we, as a great industrial nation from whom almost superhuman things are required, must learn to regard our industrial equipment, our factories, railroads, docks, steamships, mills, warehouses, stores, and the like. These are the nation's tools, tools not only for men, but for the giant forces of the earth, the coal and other energies which make our wealth and upon which our power depends. We must be proud of these instruments, jealous that they should be as perfect and as efficient as possible, eager to enlarge them, even in preference to personal indulgences. If we put our best thought onto these things, harnessing ever more perfectly the giant energies of nature for our service, never hesitating an instant to adopt an improvement, and proud of the perfection of the great machine that we have created for our service, there is almost no limit to the wealth that we can produce. It is putting it very mildly to say that such an attitude on the part of our people as a whole would double our national income almost immediately. The war itself is proof of it. We went to work with a will building new factories and perfecting the nation's tools, with the result that we not

only met the colossal demands of the war but actually grew richer as a nation in the process.

Unfortunately this is not at all our normal attitude as a people. It is the attitude of a few persons among us, men whose passion it is to build factories and railroads and steamships, men who care comparatively little for personal indulgences except for the indulgence of their one great constructive passion. These men have exercised an enormous influence on our industrial development and have stamped their character very largely upon the nation. But nothing is plainer than that the tide has turned against them. They are today the most criticised of all our citizens. Their activities are openly challenged as immoral, if not in their entirety, at least in their extremer form. And this challenge results not only in criticism of them as individuals, but in a grudging attitude toward the great interests which they represent. We have seen this in connection with our railroads, which have been systematically handicapped and repressed for twenty years. The apparent assumption has been that the railroads were a common enemy against whose every move we must be on the defensive. Said a railroad builder not long since: "I have built several railroad lines and I have in hand now certain projects which are quite as promising and as urgently needed as any that I have built. But a man would be a fool to put a single dollar into railway construction as long as the public takes the attitude toward the railroads that it now takes." The result of this attitude is seen not only in the complete cessation of railway building but in an inadequacy of railway service amounting at times to paralysis. Much has been said about our unpreparedness for war in 1917, but in nothing was that

unpreparedness so apparent or so paralyzing as in transportation. War is in the first instance a huge problem in transportation. In no part of the vast program were our facilities so utterly inadequate.

If this churlish and hostile attitude is less manifest toward other large industrial undertakings it is simply because they are as yet less subject to public control. If the lumber business, the milling industry, the steel manufacture, and like industries were subject to the same degree of public regulation, it is doubtful if they would find more cordial support. Criticism of all large scale industry, and in particular, of all industries that have had a rapid development, is harsh and general.

This attitude is associated in part with certain economic theories that have vogue in labor circles, though whether the theories are the cause or the effect of this attitude is not quite clear. It is the favorite contention of certain economic schools that labor is the source of all value. The claim is interesting chiefly as the basis of an inference which labor has been quick to draw. That inference is that since labor is the source of all value, all value belongs to labor. Labor, of course, is taken to mean laborers, mostly manual laborers. So we come to the easy, concrete proposition that the whole product of industry ought to be divided up among workers in the form of wages, which of course they should be free to spend for the kind of things they like.

I do not know that anyone has ever put it quite in that extreme form. Even the least thoughtful, if challenged, will admit that something must be kept back to repair the plant or to renew it when worn out. But these admissions lie very lightly on most minds and in actual discussion they are pretty much forgotten. Statistics are



constantly cited to show that only a limited percentage of the industrial product is distributed in wages, and always with the assumption that this is not nearly enough, and usually with the door wide open to the suggestion that labor should have it all.

And the result is that very many people overlook entirely the necessity of accumulating capital and come to feel that all that is withheld from wages is just so much stolen from labor. And a great many more who do not take so extreme a view, after all, feel that a great deal too much is withheld from labor and that labor is deeply wronged in consequence.

I have a suspicion that there is some truth in this and that labor has grievances that it behooves us all to see redressed as soon as possible. But the big fact that stands out most plainly to me, as I see things from the outside, is that laborers and their sympathizers are grudging and unfriendly toward capital. The feeling is largely personal in its animus, directed against the owners of capital rather than against capital itself, but it comes round to the same thing. We do not like to see the capitalist get so much, which means in the end that we do not like to see capital accumulated. So first, we try to increase the laborer's share, which is natural enough and within limits legitimate. But then we begin to hold down the capitalist's share by other means,—by lessening the output and even by wanton injury to property. We are not merely careful lest the one share be too small. We are jealous lest the other share be too large.

I shall postpone for the present the question of personal ownership of capital. We shall come to that soon. But we do not get anywhere in this discussion until we perceive the necessity of accumulating capital with the



most assiduous care. Whether we allow private ownership of capital or not, we must have the capital, lots of it, and ever more of it, and must learn to dote on it, and rejoice in it, and delight in seeing it take ever more perfect and efficient forms. For capital is nothing but the equipment with which we are fitted out in the industrial struggle. If it is ample and up to date, we get along well. If it is scanty and imperfect we work with little return. The question of the ownership and custody of capital is a very important one, but it is not so important as the question of capital itself. It is important that we get our share, but it is equally important that there should be much for us to share. This will depend in part on our good will as workers, but it will depend quite as much on our having the amplest and best appliances that can be produced,—on our having large accumulations of modern capital.

Away then with all this grudging attitude toward capital. It only keeps us ill-equipped and poor. Let us learn to rejoice in the multiplication of factories, the extension of railways, the invention of labor-saving devices. It is these things that make us mighty today and the lack of these things that makes Europe powerless. Above all things, let us banish the notion that if we were to do away with the owners of capital we could do away with profits. We could call them by some other name but heavy drafts must be made on the product of industry for the maintenance of capital just the same.

I believe this unfriendly attitude, which is manifested not only by workers but by many others in all ranks of society, is largely due to a simple misunderstanding. Under our present social system our wealth, both the articles of individual consumption and the great productive

mechanism itself, is placed in the keeping of individuals. The reason is simply that we have no other custody for it,—none at least in which we have as much confidence as in private individuals. The limited number of individuals who get the custody of the productive mechanism become very rich, for this mechanism bulks very large in the inventory of our national wealth. But the much larger number of persons whose task in society is other than caring for the big machine and operating it get a great deal less. The business man who is no abler and no more useful than the teacher or the physician or the writer may get ten times, perhaps a hundred times, as much wealth as they do. That does not seem fair.

There is plenty of unfairness about it, no doubt, but there is none the less a very gross error in this popular judgment. The error lies in the assumption that the business man's wealth is for his personal consumption the same as ours. Some color is lent to this assumption by the fact that we leave the owner free to exchange his capital for indulgence goods and indulge himself quite beyond reason if he wishes. Occasionally a man does this, which is only saying that in this connection as in others men are occasionally guilty of breach of trust.

But whatever the merits or demerits of our system of private ownership of capital, it must not be forgotten that what the business man gets is not spending money as is that which the worker or the teacher or the doctor receives. All these are free to spend all they get, making only prudent provision for a rainy day. The business man is not free to spend all he gets. What he owns is factories and railroads, and the big income that he gets must always go mostly for their maintenance and enlargement. It is their income, not his. I have seldom known

men so poor as some of our great business men whose wealth, though counted by millions, was insatiable in its demands for new outlay as a condition of keeping it productive in an age when progress and invention continually threatened it with discard. To talk about these men having more than their share is to mistake the nature both of their wealth and their function. Capital is the business man's tools as books are the teacher's tools and medicines the physician's tools. It is as foolish to talk of the business man having more than his share of capital as it would be to object that the teacher has more books or the physician more medicines than the rest of us.

Let me give another illustration which is in line with recent experiences. It is but a little while since there was a great shortage of wheat in this country. The situation was desperate and we were all put on short rations. Yet I know a man who during that anxious winter hoarded several thousand bushels of wheat which he refused to share with his needy fellow citizens. A preposterous amount for a single family, was it not? Vastly more than their share. But wait a minute. That man was a farmer. He had three thousand acres of wheat land which he was waiting to sow in the spring. That was what he was hoarding his wheat for. Supposing he had distributed it among us to eat. That is in principle the case of the business man's income. His share is bigger than ours, but he has his field to plant and we do not.

Once more let us try to separate the question of private ownership of capital from the question of capital itself. Private ownership may be a mistake. We have soon to consider that question. But whatever the ownership

we must have the capital and we must make immense contributions to it from year to year to keep it up, renew it, revise it, and above all in times of redoubled demand, to enlarge it. If we are stingy to capital, capital will get back at us very quickly.

There is a great deal of talk just now that the workman ought to own his tools, that is, that the laboring classes should own the industrial plant which they use. This is the soviet plan. It sounds very plausible. But the laborer can never own his tools till he learns to care for his tools, which means that he must learn to enjoy saving rather than spending. As long as he counts all increase of the spending fund as clear gain and all increase of the profit fund, that is, the capital fund, as clear loss, he can not be trusted to own that which is vitally necessary to the existence of society. Not until he gets a passion for tools can he be trusted with their custody. Society will not, can not, give its industrial plant into unsympathetic hands.

This is no academic discussion. There is absolutely no more urgent question before us at the present moment than that of our attitude toward capital. Our industrial plant has been overstrained in the war, and vital parts of it are suffering from long years of hostility and neglect. It is a time for extensive renewal and improvement, even for our own purposes. Besides all this there is the huge need of Europe. It is a time to nurse capital with all possible care, a time for quickened effort and postponed indulgence. And this time finds us at feud with capital. We grudge the farmer his seed corn and threaten to loot his granary. Everywhere there is an effort to lessen profits, to shorten hours, and to increase spending incomes, to skimp the seed corn, and to increase

the daily ration. The feud is largely personal, directed against the capitalist rather than against capital, but it works out the same way. We think the farmer is a pretty mean farmer, but even this belief rests largely upon the assumption that he is eating up the seed corn. But no matter what the animus, the attitude is fatal.

The need of the hour is a passion for capital. If we can not trust it to the capitalist, we must find other guardianship, but it must be a friendly guardianship. We must not loot it or skimp it. We can do nothing without it. The giant energies of nature can not work for us without this tremendous mechanism. Their service will be according to the tools we give them. We must learn to be friendly to the great mechanism, to dote on it and plan for it and rejoice in its perfection and enlargement. Hitherto we have left it mostly to those that had this passion for it. We have watched unsympathetically their great building. We are becoming increasingly jealous of them and are minded to take away their trust. Is it that we may build better, or that we may loot and destroy? Upon the answer to that question depends our future, our power to hold and use the great heritage that has fallen to us. Above all, upon this depends our power to meet the demands of this critical period. The present mood is wrong. It may be fatal. It must be speedily and radically changed.

## CHAPTER IX

### OWNERSHIP

WE have seen that the problem of capital is quite distinct from the problem of ownership. Capital we must have, no matter what our industrial system may be. There must be mills and railroads and factories and stores, and there must be constant appropriations for their maintenance, whoever owns them. There is reason to believe that many who are so anxious to get rid of capitalists are really influenced by the hope that they can get rid of profits. They can, of course, get rid of the name. They might conceivably reduce the amount. But we can not have capital without paying for it. This fact is quite independent of ownership.

There is another sense in which capital is independent of ownership. Railroads, factories, and the like can not exist and operate without serving society. People often speak as if railroad managers were running the road entirely for their own benefit. They seem to ignore the fact that the trains are public and that any of us can ride by paying a moderate fare, a fare very similar to that which people have to pay upon government owned roads. The shoe manufacturer, too, can use his factory only to make shoes for the public to wear. Even the profits which they are so eager to make and which the workers and the public grudge them, can not be put back into the business without benefiting both public and workers. If the shoe manufacturer enlarges his factory and makes



more shoes, he must sell them to us on more favorable terms or they will remain on his hands and be a loss. There is no way out of it. If he accumulates capital, he simply must give us the benefit of it.

Of course, if he does not invest his profits but spends them in indulgence (as we strangely enough are apt to urge him to do) we do not get the benefit of cheapened or ampler production. Whether we get any other benefit from his spending we shall have to consider later. But if he does invest them, we profit by it. He can not help it if he would.

It is most important that we get these principles clear.

*Under any system of ownership there must be capital and there must be profits or their equivalent.*

*Under any system of ownership profits if added to capital, serve the public, assuring the products of industry on easier terms.*

*The function and service of capital are independent of ownership. The question is solely one of relative efficiency.*

We are confronted, therefore, with a question not of principle, but of expediency. The great industrial plant belongs to society in any case, and we need have no hesitation in making that fact plain and emphatic to so-called private owners if we leave them in charge. The machine exists for our general service and can not be employed in any other. It is simply a question how we can get the best service from it. Shall we leave it to the present owners and to their natural successors, trusting to the laws of the market and their self-interest together with increasingly stringent regulation for our protection? Or shall we call it our property and elect or appoint persons to take charge of it, to manage its various plants and to



perform the different functions which are required, leaving them such discretion and limiting them by such rules as may be necessary? It is simply coming at the thing from different directions, but it is coming to very much the same thing. In both cases we must have capital and in both cases we must pay for it by curtailing our indulgences. In both cases the capital will be used in the general service of society and can be used in no other. In both cases the actual management must be in the hands of individuals who will be partly limited and partly free. There is no profound difference in the human relations involved. All attempts to make out that the one system means slavery and the other freedom are arrant nonsense. The question is simply, which one is the more efficient. Which one will keep up the great plant in best shape and with least hardship to us all? Which one will secure the ablest management and hold it best to its task of social service?

The present system is an automatic one. The managers of the social plant, or owners as we call them, were not elected or appointed. In the first instance at least, they were the men who built the mechanism, and built it because they had imagination and liking for that sort of thing. They were not always nice or scrupulous or merciful in their work, and we were for a time negligent about compelling them to be so. But they had a passion for the great machine they were building and bent their great energies to the task with supreme devotion. And since the machine was their idea and their work, it naturally remained in their hands. No one else was so devoted to it or understood it or was able to manage it so well.

The strong point in favor of such a system is that it

tends to keep men of this type on the job, a thing not easy as we pass from generation to generation. Strong men die and their successors are sometimes weaklings. There are misfits. But the misfits soon disappear. Modern industrial organization brushes the weakling aside and puts in his place the man, no matter of what origin, who has the great constructive passion, the man who loves capital more than indulgence and who is eager to secure the largest possible profits from his management and use them to enlarge the great machine and make it more powerful and more productive, and that without end.

And it is precisely this that is criticised in the present system. There is an ever increasing storm of protest against this accumulation of capital, this building out of the great machine. It is not simply from the workers that these criticisms come. Indeed I believe the workers are far more reasonable, more appreciative of the true function of capital and its accumulators, than are some of the intellectuals (?) who assume to speak for them in parlor circles. I have such a one in mind as I write, a broad-clothed uplifter who talks in highbrow diction of the avarice of capital and the insatiable greed of the rich man who piles fortune upon fortune and never knows when he has enough. The very form of his criticism reveals the grossness of his error. He never thinks of the captain of industry as the builder and keeper of the great industrial machine who stands tireless and vigilant to see that its maze of mechanism performs its complicated task. He does not see that that man's hand is upon the lever that releases the energy of the gods. Stop when he has enough, forsooth, this man who hurls the railroad train along the glistening rails or who watches with ceaseless

care the mill of the gods as it grinds out its daily grist for millions! Has he no thought but to amuse and gorge himself when the means are within his reach?

All such criticisms imply sheer oversight of the greatest fact of our time. The man who chides the rich man for not stopping when he has enough is a man who could not be trusted with the rich man's task. His is the hireling temper. He sees in accumulation nothing but postponed indulgence and in profits only a spender's privilege. To build and tend the great mechanism is to him a chore to be done only for a bribe of later indulgence. To his mind the rational thing to do is to make the chore as short and the indulgence as long as possible. Woe to society if its industrial leadership ever passes to such men, men who have no passion for its upbuilding and who would stop as soon as they had enough.

And that is exactly what the movement for public ownership means. I don't mean that this is its conscious purpose. Its supporters are largely sincere in their conviction that private ownership is irresponsible, tyrannical, and that it diverts the product of industry to a few. What it actually does is to divert it largely to capital and so, *not to the indulgence of the few, but to the development of the industrial mechanism*. What the opposition desires is to divert the product of industry to the many, and so, *not to the development of the industrial mechanism, but to personal indulgence*.

*The struggle between private ownership and public ownership, whatever it may be in theory or in the sincere conviction of its partisans, is in fact a contest between the creative temper and the indulgence temper for the control of industry.*

I am not forgetting, all this time, that the rich man does

something besides accumulate. He is a liberal spender also, and sometimes a very foolish one. It is his spending, of course, which arouses the envy of the less favored and which seems to justify their instinctive assumption that he is sooner or later going to spend all his wealth with colossal injustice to the rest of us. We shall have to consider in due time the problem of privileged spending and see whether it in any way serves social interests. But for the present we will content ourselves with noting that if the captain of industry does not invest all his profits, he does invest a very large part of them. If the passion for industrial construction is not his only passion, it is at least his characteristic passion. The difference between the two classes may be one of degree, but there can be no question as to what that difference is.

In this difference lies the explanation of the notorious inefficiency of government management as we know it in practice. We are too apt to forget that we have a large basis of experience to guide us in settling this question. The government of a great city is a problem of business management very similar to that of managing an industrial plant. There has never been a time when competent managers could not be found in any of our cities, but we have seldom found them. Sometimes when we have secured good management, as in the case of a recent administration in New York City, it has been repudiated at the first opportunity. When we have escaped corruption, we have usually had to put up with mediocrity. What American city has ever had a mayor as able as Harriman or Schwab? The job is big enough to use such men, but it does not tempt them. The public will not let them build or indulge their constructive passion. It will not furnish the necessary profits (we call

them taxes in this case) or allow them the necessary liberty.

It may be said that our cities are not a fair example, that they are worse than other cities and worse than other parts of our government. Perhaps so, though experts deny this in part, but the difference is at best but one of degree. Some years ago a senator, one of the ablest and one most intimately associated with the management of our national government, made the statement that a good business firm would run the government for three hundred millions less than we were then spending, a saving of at least a third. This difference does not mean theft nor yet entire lack of ability. It means the ascendancy of a different temper, the recognition of different standards. The managers must please us or be set aside. The self-indulgent temper and the dull imagination are in control, and so the government is "milked" and its constructive activities repressed. It would be the same if the public owned the railways, the factories, no matter what. The change would be a change from the constructive to the indulgent temper, from competency to mediocrity in industrial management.

There are those who, recognizing these facts, look forward to a slow education of the public to a better understanding of industrial relations and a better appreciation of its own interests. The defects of public management are to them the result of inexperience. They believe the workers will eventually learn that they can not plunder capital or consume the whole product of industry without disaster to their own interests, that they will come to recognize the value of the constructive imagination and to put it in charge of industry, and that men of this class, however unwilling now to accept public



employment, will ultimately be reconciled to accept their commission from the public. Perhaps so, though even then it is not clear that we should be better off than under a system of private ownership carefully limited and trained to the public service. The most sanguine advocate of public ownership hardly expects more than to equal the efficiency of modern industrial management. The great gains expected from the change are looked for in other connections, in the removal of fancied injustices and the correction of alleged false principles.

But, at best, the educational process here relied upon must be an exceedingly slow one. If the spirit of indulgence gets into the saddle and forces an increase of the spending fund and a decrease of the capital fund, the development of the industrial mechanism will be retarded or stopped altogether. It must not be forgotten that this is exactly what those who are storming at the gates of capital are trying to do. Their cry is, more wages and less profits. Are they planning to replenish capital from these increased wages? Hardly. They want more to spend, and they raid profits in the belief that they, too, are a spending fund. However sincere their conviction, the fact remains that to increase wages will not build the industrial plant, while to decrease profits will cripple it.

Whatever the compensations for this loss and the argument for the proposed change, this is the worst possible moment to make it. The capital of the world has suddenly been enormously reduced and calls for strenuous replacement. Were we fully decided upon the change it would be the part of wisdom to postpone it. The temper of indulgence must wait. The spirit of construction and accumulation must again receive our unhesitating allegiance.



## CHAPTER X

### SPENDING

IN contrast with the capitalist class, most men are spenders. Sooner or later they spend or consume all that they get. They may save up for a time and spend by spurts. If they are prudent, they will save up for sickness and old age. But sooner or later they spend all they get and count on so doing. The amount which they pass on by inheritance is inconsiderable. Even their savings for emergencies and old age cut no very great figure. They are but a small part of the capital fund of the nation.

The investors are not to be confounded with the spenders. Their accumulations are not mere deferred spendings. They are different in kind. The investor has no thought of ever consuming the capital that he invests in industry or commerce. If he withdraws it, it is only to invest it somewhere else. It is capital and usually remains so. Further, he usually leaves to it most of its profits to add to its growth, for it is the thing he likes best, a liking very fortunate for us who are so dependent upon the great wealth producing plant which it creates. The temporary savings of the spenders would hardly make a beginning at the great work, however ample their income might be.

The wage earners are spenders and it is perhaps better that they should remain so. As a class, their spending very nearly keeps pace with their wages, no matter how the latter may increase. It is not that they can not save,

for they have lived on much less and might conceivably do so now. Indeed, their actual power to save is enormous as their contributions to the Liberty Loans testify. But, except in times of great emergency, spending attracts them more than investment, and it should do so. It is not in the common interest that they should live meagerly for the sake of the small accumulations which they can only entrust to others and over which they can exercise no constructive control. That is not the way for society to get its capital. But whatever its desirability, we at least know what to expect. The wage earners have left us in doubt as to their decision. They intend to spend their wages, whatever they may be. An increase of wages is promptly followed by a rise in the standard of living. Some recent experiences are significant in this connection.

In a Western city, a large number of girls were employed in war industries at unprecedented wages. The majority of them had homes in the city and were under little expense. When the work suddenly ceased they were nearly all found to be destitute. They had ample wardrobes with real lace and other luxuries, but scarcely a penny of savings.

The temperance reform has long been urged on grounds of economy among others. Statistics have become familiar telling of the enormous sums wasted on drink. Recent experiences with prohibition amply justify the reform on grounds of morality and social order, but the desired economy seems but partially effected. The sale of candy doubles in dry states, a suggestive result since the new customers seem to be largely men. Soft drinks are similarly patronized. These indulgences are doubtless innocent and may be beneficial, but they are

neither necessities nor gratifications of a diseased craving. They are pure indulgences. The former drinker, in most cases a wage or salary earner, seems to be looking about for an opportunity to spend his money,—to “get the good out of it,” he would probably say. Deprived of the usual avenue of expenditure he is uneasy, baffled in attaining the goal of economic effort. Saving does not occur to him.

So pronounced is this psychology of the worker that it is now generally recognized that even the saving for emergencies and for old age is not to be expected from him. This is the significance of the numerous schemes of insurance that have been adopted one after another in all countries, insurance against old age, sickness, disability, accident, unemployment, and the like. Were the worker accustomed to provide for these emergencies, plainly society would not be inclined to do so. But experience proves beyond shadow of doubt that if society does not make this provision it will not be made. Serious as are the dangers of this lifting of individual responsibility, they are less than the danger of leaving men unprovided for. And since no increase of wage will induce them to make this provision for themselves, society must make it, — or compel them to make it.

This psychology of the worker is not a matter for reproach. It is a matter of natural endowment. It is the explanation of the wage system and its sufficient justification. Those who can not save and equalize an irregular income by prudence and foresight, must have that income regularized and insured for them, which is what the wage system amounts to. Incidentally, it is hardly necessary to point out how inadequate is this spending temper for the general conduct of industry.

But neither spending nor the spending temper is confined to the working class. Spending in some degree is, of course, necessary for all, but the mere buying of necessities does not concern us. The spender is the man who spends all that he can get, be it much or little, and the investor is the man who voluntarily limits his expenditures to a fraction of his resources and invests the remainder more or less permanently in the industrial plant. There are investors and spenders in all classes, but the wage earners as a class are spenders, while the captains of industry and finance are usually and almost necessarily investors.

But there are rich spenders as well, men who for the most part would not be missed in railroad or industrial circles if they should pass on, and who spend their dividends instead of investing them in the development of the productive plant. It is to these men that the odium of wealth and the charge of parasitism chiefly attaches.

There is much justification for these criticisms. Wealth does not mean and never should mean mere privileged indulgence. It is a wrong so to use it under any circumstances. At a time when millions are starving it is a crime. We can not make any better use of the great world calamity than to tighten the toils of social restraint around irresponsible and anti-social wealth. Nor can we accept doles to charity or even ambitious philanthropies as compensation for large expenditures that have only selfish gratification as their object. There is absolutely no justification in any sound social philosophy for wealth that is neither productive nor wholesome in its social reactions. There is much such wealth and much such expenditure.

But here again I find it difficult to draw the line. I am

not at all a rich man, but I realize as I think it over, that I have profited by some of the expenditures of my rich fellow citizens which at the time seemed to me peculiarly selfish and unnecessary. For instance, I have just bought an automobile. I did not wish one at first, which was fortunate, for they were quite beyond my means. I remember thinking how monstrous it was that a big car costing thousands of dollars and weighing several tons should drive about carrying, perhaps, a single person. This irritating ostentation of wealth with its death rattle warning which told the pedestrian so brutally to get out of the way, seemed to me a peculiarly reprehensible indulgence.

And when I saw the tribulations of those early automobilists with their engine trouble and tire trouble and no end of other troubles, I thought the indulgence as foolish as it was reprehensible. I was reminded, as I so often have been, of the futility of wealth, of the difficulty which the rich man experiences in getting anything seriously worth while for his money.

But I have my car at last, an inexpensive machine, but it works to perfection and adds greatly to my pleasure and convenience. And now I am wondering how long it would have been before I should have had a car if my rich neighbors had not spent their thousands on cars when they were still costly and poor. In the first place, I should never have wanted a car if they had not kept using cars until I at last got the fever. And in the second place, there would have been none for me unless these rich spenders had spent their millions on the earlier crude machines and made it possible for the manufacturers to continue their experiments and develop the perfect and inexpensive machine. Some critic will say: "If these

rich men's millions were distributed among us we could all have a Ford." On the contrary, if it were not for these rich men whose millions nursed the automobile through its early and costly days there would be no Ford for anybody.

There are plenty of cases of this sort. As I turn on the electric light, now that it is getting dark, I recall that there was a time when I could not afford such a light. The light cost a great deal and was not worth what it cost. It was only the rich, who were accustomed to spend their incomes for things that no one else had, who could indulge in such doubtful extravagances. If it had not been for them, I fancy we should still be using the tallow candles that lighted me in my cradle.

The point of all this is that rich men, even when they are not producers and are not particularly minded to serve society, do render a social service. They are the experimenters and leaders in the developing consumption of wealth. It is of no use to have wealth unless we can find worth-while things to do with it. For the most of us wealth exists in forms so far beyond our means that it never occurs to us that each one of these tempting things has had to fight its way to our attention and wake up our sleepy imagination by a tremendous effort. If we were manufacturers who were trying to advance the frontier of wealth appreciation, we should realize that all progress has to be made against a veritable Hindenburg line of opposition. The rich spender is the leader in this advance. Like the rich investor he gets very little out of it all except the great satisfaction of doing just this thing that his temperament craves.

Now it does not follow that this is the only way that this service can be secured. But it does follow — and



this is all important — that the service must be secured somehow if we are to progress. If we fully appreciated the importance of thus constantly advancing the frontier of wealth development and the cost involved, we might take over the whole matter as a social function, appoint official experimenters, and make the large appropriation required for the purpose. This, it will be noted, is exactly on a par with the proposal that we take over productive industry, appoint official managers, and appropriate from the social income the amount necessary for the extension of capital. And the difficulty would be the same in the one case as in the other. We do not sufficiently appreciate the importance of the task. Imagine a group of official experimenters spending millions of *our* money on novel machines and taking official joy rides in the hope that we might some time have cars the need of which we had not yet learned to feel. How quickly we would call them down. Their very fitness for their task would be their sufficient condemnation. Just as the nationalization of production and capital formation would instantly curtail the growth of capital, so the nationalization of consumption would at once put an end to the development of wealth forms and throw us back upon forms that had earlier made the difficult conquest of our imagination. The vote would be for the familiar forms of wealth. It is the few, acting upon their own responsibility, who make the costly venture into the unknown.

Not only is private spending the condition of progressive wealth development, but a large portion of that spending must be highly concentrated if the more difficult tasks are to be accomplished. Again the automobile is an excellent illustration. It could never have been introduced in a society where wealth was evenly distributed.

No one could have afforded it. Perhaps when introduced and cheapened by quantity production, it could find purchasers in such a society, but it could never reach that state without a certain concentration of wealth. And the case of the automobile is typical of our wealth in general.

Spending, therefore, like investing, has its wholesome social reactions. The wealthy spender, like the wealthy investor, though not an altruist and acting with no thought except for his own interest, is in fact a social functionary, not a parasite. But he altogether mistakes his place and misconceives his privilege if he imagines that his wealth is his to waste, to squander in coarse and meaningless indulgences which have no possible value to society. Society does and must leave him free to use or abuse his wealth as he will with no other limitation than the most elemental provision for the public safety. But society is not and can not be indifferent to the use he makes of his liberty, nor is that liberty guaranteed in perpetuity. Dull are the ears that do not catch the mutterings of the coming storm. I can think of few calamities that would be more serious than the loss of the leadership of cultured affluence in the utilization of the increasing wealth of the world. Failing such leadership, the increase of general wealth will inevitably take low and degraded forms, and social growth will express itself merely as an enlarging vulgarity. But if the wealthy themselves elect to be vulgar and gross, their privilege loses all social justification, and unless I mistake the temper of our time its fate is sealed. The right of privileged spending is already challenged. Why should the commonplace and the vulgar be reconciled to wealthy commonplaceness and rich vulgarity? Wealth must connote superiority, intelli-

gence, taste, public spirit, if it is to receive or deserve justification. Wealth is privilege, and *noblesse oblige*.

I wish it were possible to get the ear of those upon whom the lottery of war has conferred sudden fortune and who are tempted to rush headlong into the maze of the spender's privilege. I wish they could see the sorry figure they will cut, the faint pitying smile on the faces of those wonted to the purple, the black scowl of those who sit dispossessed amid the world's ruin. I do not challenge their wealth. I am sure that no arbitrary redistribution would be worth its fearful cost. But if they could only give themselves a little time to grow to the part, if they could remember in these times the awful soreness of the world and refrain a little from flaunting their finery in the presence of its widow's weeds, it would be well for them and well for our stricken humanity. And the lesson has broad application. Labor is today among the profiteers and parades unblushingly its loot of the world.

And for those with whom culture and taste impose restraint upon privilege, the time has its sobering admonition. The need is for a conservative exercise of the spender's art. It is less a time for culture advance than for culture restoration. The world has become savage again and the wolf howls at the door. The need of the hour is for something else than a new plaything, even the most worthy. Let us wait about new fashions and be slow to encourage new tastes. Possibly the higher interests may not be altogether losers by the quieter mood, the longer perspective. Let us not too eagerly restore the hectic pace. It may be that one of the compensations for our sacrifice will be a soberer and a happier world.

## CHAPTER XI

### WORKING HOURS AND LEISURE

I DO not belong to the class commonly known as "workers," though if work were the test I think I could qualify. However, I have known something of their lot and am familiar with work in the most literal sense of the word. As a youth I knew the heavy routine of ten hours a day in the mill with work beyond my strength. I have had some slight taste, too, of the employer's problems with strikes and anxious pay days and the rest. Later experience of college and long years of ill-paid teaching, followed by the author's precarious freedom, have not obliterated these memories or lessened my interest in the problems which they suggested. On the other hand, these experiences have given me a detachment from the immediate interests of the struggle which is not without its value for purposes of impartial survey. Nearness sometimes obscures fundamental relations. Business engineers tell us that business enterprises occasionally get into a condition where only an outsider can save them. The insiders have learned too many things which it is necessary to forget and have inherited too many traditions whose spell needs to be broken. In such cases ignorance of the immediate situation is a qualification. It sometimes seems to me that this is true of the labor problem of today. Nothing would help the situation so much as to obliterate on both sides the memories of the past thirty years. My experience has accomplished for me something of that happy result.

Perhaps it may help to mutual understanding if I confess at the outset my sympathy with the general movements of labor in our time. It is legitimate for the workers as a class to make a vigorous effort to better their own condition, and it is an advantage to society as a whole that this should be done. An advancing standard of living for labor, if prudent and limited from step to step by a recognition of the necessities of industrial equipment, has never seemed to me inimical to the interests of the employer or to the advancement of industry, but rather a necessary condition of both, for the demand of the workers is the basis on which industry chiefly rests.

I sympathize, too, with the policy of organization and collective bargaining as a means of securing these desirable ends. I know that theoretically competition among employers seems to assure to the workers all the wage that the business will bear, but this presupposes a mobility and intelligence on the part of labor which do not exist. The individual laborer is as helpless against modern capital as the individual soldier against the modern military state. There are sporadic tendencies that admit of no justification, the efforts to destroy capital and to limit production, but there is reason to hope that these are not permanent but will disappear with the further advance of industrial organization. Despite these excesses, however, I believe that the labor movement as a whole is sound, both in its aims and in the methods by which these aims are sought. This confession of faith may be somewhat irrelevant, but it is as well at the outset to clear the air.

But there are certain things that pervade the labor movement as a whole and, for that matter, the whole attitude of modern society, with which I find it hard to



sympathize. Chief among them is the modern attitude toward work. I remember a sensational writer who some years ago declared that half the world lived without working and the other half worked without living. This was an exceedingly clever phrase, and it counts for more sometimes to be clever than to be true. There is, of course, a truth in the statement. The work of the world is undoubtedly inequitably distributed, some having more and others less than their share. But such a statement is commonplace and would not have produced the sensation that our author desired. This he secured by the startling antithesis between work and living. The implication is that working is not living. Is that true?

Of course we are not talking about physical existence. We will not quibble. What this writer means is that while a man is at work his existence is not worth while. It is only when he stops working that he begins to enjoy himself and get something for his trouble.

This notion is not at all confined to workers,—indeed I am not sure that they feel it as much as onlookers do. The man who made the stunning statement quoted was not a worker but an “intellectual,” one of the parlor spokesmen who volunteer their services in behalf of labor. Among such this view is common.

We were visiting friends in the country and had to leave by a morning train. It was a beautiful summer morning when it seemed good to be alive. As we drove to the station a section gang of husky fellows were indolently at work upon the track. The friend, a lady of lifelong industry and good works, was moved almost to tears at the spectacle of this toil. To me their lot seemed almost enviable. Another lady of my acquaintance delivered herself of the startling statement that to her the



most dreadful thing in the world was the fact that men had to work. The strange thing about it is that neither of these women were indolent either by temperament or life habit. They would have been bored to death to sit with folded hands and do nothing, and still more so if they had had to spend all their time seeking amusement. They were merely illustrations of a sentimental attitude that has been fostered of late by peculiar conditions, an attitude that is not natural to workingmen but which characterizes increasingly the labor philosophy of today.

This seems to me to be nonsense. Working is living, just as much as play. To a man who is half a man it is a great deal more so. I know work in all its main varieties, and I know that it is God's best gift to man. No one could rob me so grievously as he who took away my work. No punishment would be so horrible to me as to compel me to spend my time seeking amusement. Possibly I could get used to hanging around the movies, the pool room, the clubs, the highbrow or lowbrow time-killing performances. One can get used to anything, and there are people who seem to accomplish even this task. But to tell me that this is living and that working is something else is arrant nonsense. If there is any such distinction, then I prefer the something else, and I pity those who do not. This is a point on which I am qualified to express an opinion.

Now I do not mean that men should work all the time or even as long as possible. I would not even urge everybody to work as long hours as I do, though it would annoy me to have to curtail my own. It goes without saying that work must be limited by several considerations.

First and foremost it must not exceed our strength.

The day's outgo must not exceed the day's income. It may do so for a time without our being conscious of it. This overdraft upon vitality may stunt the individual, depress his faculties, and even lower the vitality and efficiency of the race. It has done so in certain countries for centuries together and in all countries at certain times. It does not pay to overwork men any more than it pays to overwork horses.

To be sure I am not just clear that men's feelings are the sufficient test. We may feel like quitting when we are quite able to keep on, and again we may keep on automatically and perhaps by preference, long after it is time to quit. I know that I have done this many a time. I wish we could get the decision of experts on this point and honestly accept their verdict.

I am not sure but we ought to do somewhat less, even, than the limit of our strength, at least as regards our regular vocation. There are other things to do besides our paid job, things that take strength and time, and allowance must be made for them. Perhaps that will mean an eight hour day, perhaps seven, perhaps six, I will not undertake to say.

But now we come back to the main issue. When we have decided on the limit of what we reasonably *can* do in consideration of our other interests, *let us not try to reduce working hours any further.* I am afraid that is where I part company with the modern temper. It may be that we could get along with four hours a day as some claim. I do not want to. We can certainly live better and have more if we work six or eight hours, wherever the limit of maximum advantage may be. Up to that point work is a privilege, not a hardship. You can live more in it than out of it. It seems to me that certain

elements today are daft over leisure. They want to wrest just as much leisure away from the working day as possible. What are they going to do with it? When you have worked hard for eight or ten hours, a few hours leisure is very agreeable; so is a holiday or a vacation. But when you have worked one hour, a whole day of leisure is stale and unprofitable. One of the hardest things in the world is to get fun out of leisure on a large scale. You can not multiply leisure experiences without changing their character.

I have just witnessed a Fourth of July celebration. People came in from the whole country side, old men and children, youth and maidens. They started early and came with eyes big with expectation. They saw the sights, thronged the movies, and crowded the restaurants. There were firecrackers and speeches, and candy and lemonade. In the evening they had fire-works and dancing in the asphalt covered square. Toward midnight they started home by the light of a friendly moon, tired but happy. They had had the day of all the year.

But suppose it came every week,— every day, perhaps. Think you they would enjoy it in like measure? After a bit you couldn't drag them to it with wild horses. Leisure is like salt, a fine thing if you don't have too much of it.

I believe the time has come for labor to stop short and ask itself honestly whether more free time would do it any good. If it can honestly say — if the experts can say — that present working hours are too long and that the work we are now doing is harmful, by all means let the day be shortened. But I can not feel that the workers are honestly asking that question. Even when men urge this argument, I fear they are thinking of

something else. They are obsessed with the idea that the more leisure they can get the better. That is not true. They have not half organized or utilized the leisure they have obtained already. Leisure does not take care of itself any more than a farm raises crops unaided. It is a fine art to raise a crop of fun on a garden of leisure, and the bigger the garden, the more difficult it is to do it.

The trouble is that we are disgruntled about work as the result of clashes with the employer and other causes. If we could forget that we are working for the boss with whom we haven't the best of understandings and could look at our work just as work, there are very few jobs that are not interesting. Work within the reasonable limits of our strength is vastly more interesting than play. In the interest not merely of that ampler provision which only work can provide, but still more in the interest of that satisfaction which real men demand and which work alone can furnish, we should hang on to work. Work is the grown man's play, and he should resent its undue curtailment as the schoolboy resents being called from the play-ground to less inspiring tasks. Perhaps the worker's day should be still shorter, but the workers should begin to be jealous of further shortening of their day, which must inevitably mean sooner or later a lowering of their remuneration. Above all, they should shun the notion that life lies outside their work. A determined effort to get all the enjoyment possible out of work would pay bigger dividends than anything that labor ever attempted yet, and the dividends would not be paid merely in enjoyment either. Labor can double its wages in a generation by this means alone.

Incidentally, the problem of organizing our leisure is one that calls for attention. It is a great deal easier to

get the leisure than it is to get something worth while out of it. This is particularly true of the leisure secured to children by our restrictive legislation. Said an aged employer in the cotton manufacture: "I used to take boys of twelve and thirteen into my mill and they grew up with me. Some of the best men in my mill started in that way. Now I can not take a boy until he is sixteen, and he comes to me after two or three years spent hanging round pool rooms and other like places, and he is spoiled. I can make nothing out of him." No one now disputes the wisdom of child labor laws, this man no more than others. But mere limitation of working hours or years only solves one problem by creating another. The immature boy must not work but he must do something. Even school is but a partial occupation. The use of the leisure thus secured is by no means a matter of indifference. The leisure won by adults has equally serious problems.

I have no definite suggestion to make in this connection. It is a problem for those interested to solve for themselves. The worker would and should resent any attempt to tell him what to do with his spare time. But he will hardly resent being told that the use of his time is a problem, and that upon the satisfactory solution of it will depend the wisdom of increasing it. I raise the question whether the garden should be made larger until it is better cultivated,—whether there is not a better chance of getting more pleasure out of the hours of work than of getting pleasure out of more hours of play.

In addition to these considerations, which are broadly applicable to the industrial conditions of our own time, there is the special need of the great emergency. To anyone who surveys broadly the devastation which has been



wrought in the world and the instant need of repairing the industrial mechanism, it is almost inconceivable that men should choose a time like this to demand shorter hours and increased leisure. Suppose the farmer whose buildings have been dismantled or fences destroyed by a storm should choose that moment to reduce his working hours, what would we think of him? Yet at a moment when the impoverished industries of England are suffering from a coal famine, we see the English miners striking for a six hour day. The same spirit is manifest in every country where modern conditions prevail. Nothing could better illustrate the unsocial tendency of the labor movement at the present time than this willingness to exploit the misery of the devastated world in the interest of more leisure for the working class. All talk of the superior efficiency of shorter hours under such conditions as now prevail is thoroughly disingenuous. The worker is not demanding a six hour day at such a time with a view to increasing his output. Whenever that desire seizes him he can find plenty of ways to do it without decreasing working hours. The sincere desire will prompt him rather to increase them. It is encouraging to note that some are so prompted. The delegation of railroad men that has just waited upon the Italian premier offering to increase their working hours in the interest of greater production is a suggestion that labor is not wholly insensible to considerations of the general welfare.

On the other hand, it is the well-known policy of those who are working for social revolution to deliberately scheme for the misery of the working class in the interest of the discontent which serves their purpose. Much of the advocacy of shorter hours is consciously dishonest, its



aim being to destroy the prosperity which reconciles men to the existing industrial order. Against this sinister propaganda the worker must protect himself by the exercise of his common sense.

Again, in closing as at the beginning, let me insist that outside of special emergencies like the present, working hours should be brought well within the limits of health and strength, and that time should be allowed for civic and other duties required of the worker. That probably will mean, with the return of normal conditions, a further reduction of working hours, at least along certain lines. But beyond these limits reduction can not go with advantage either to the worker or to society. The policy of progressive diminution of working hours without assignable limit is not justified by any consideration of the worker's welfare. This emergency is a good time for us to call a halt to this movement and begin to face the other way.

## CHAPTER XII

### WORK AND WAGES

I HAVE already expressed my sympathy with labor organization, but I confess there are some things that I should find it hard to put up with if I were a member of a labor union. One of these is the limiting of the day's output and the equalization of wages. There are two entirely different aspects of this subject which it seems to me are to be judged quite differently.

The first is limitation in the interest of equalization. I don't like the idea of equalization, but perhaps it is necessary, at least during the formative period of labor unionism. If men receiving the same wage do unequal amounts of work, the employer will discriminate in favor of the more efficient. If this discrimination is neutralized by inequality of wage, the solidarity of labor is menaced. In either case the result is apt to be the disruption of the union. Employers are quick to take advantage of any opportunity thus afforded, as the workers have learned from many unpleasant experiences. Hence the policy usually adopted by the unions of eliminating differences, as far as possible, in both work and wages.

Thus, where work can be measured or counted, the day's work is specified by measure or count. This measure, being the same for all, is necessarily much within the limits of the more efficient. Stories on this subject are innumerable. One will suffice.

A carpenter from a summer resort town came to the

city for work when the season was over at home. A builder in need of help hired him promptly. "But you must join the union," he said, "or I shall get into trouble with my men." He did so. "Now you may go to work hanging these windows." "But my tools haven't come yet." "I will find you tools," and a dull saw and chisel and the other necessities were hunted up. Time had to be taken to file the saw and sharpen the chisel. At night the employer met him. "How have you made it today?" "Not very well. I had to waste time fixing the tools. I have hung thirteen." "Oh, that will never do," said the employer. "I know it, but when my tools come tomorrow I will do better." "That isn't what I mean," said the employer. "The union allows only ten." The man said he could have hung twenty.

Let us suppose this case to be typical, as it probably is. Men range in ability, we will suppose, from ten to twenty. The average would then be fifteen. If we cut down to ten — as we must do if we are to attain uniformity — we deliberately throw away at the outset, as the price of union, one third the labor power and hence one third the potential wealth of the world. Probably the introduction of automatic machinery, which sets its own pace to a degree, lessens this loss, but at best it remains enormous.

Opposition to piece work is the same thing in another form. Where the nature of the work is such as to permit the application of this principle it is the most obviously fair system possible. But it has the fatal defect, from the union standpoint, of introducing the principle of inequality. It may be said to introduce that principle in its most exaggerated form, for it automatically stimulates the worker to speed up to the utmost. It is urged that

employers take advantage of this to encourage speed to the highest point and then reduce wages. No doubt this has been done, but objection on this ground is rather weak. It is not clear why the unions can not force the employer to pay a fair piece wage as well as a fair day wage.

But the union is hostile to the principle of inequality by instinct, and piece work is pretty uniformly disliked even when tolerated. In particular, organized labor is set against all speeding up or measuring devices used by employers, whose tendency is either to stimulate the worker or to increase the application of the piece-work principle.

I can see how all this comes about, how piece work complicates the union's problem, and how these stimulating devices call forth their strenuous opposition. I can see, too, that overstimulation has its dangers and that the union may legitimately protest in the interest of health and safety. But all the same I can not help feeling that piece work — carefully guarded, of course, by union action — offers organized labor the best chance it will ever find to escape from an untenable position. I should hate to trust my future to any program that deliberately sacrificed and wasted a large part of the labor power and so of the ultimate wealth of the world. For one thing, I should hate to be trimmed down like that. If I were a fifteen or a twenty window man I should hate to be trimmed down to the ten window wage. But worse than that, I should feel pretty sure that society would sooner or later beat an organization that impoverished it in that way. So far from equality being a condition of cohesion, in the long run it will work the other way. There is always a tremendous inducement to the twenty window

man to break ranks and get more than the wages of the ten. The inducement will always be offered, and when repelled in one way, it can be offered in another. In short, the upper grade men and the public are always in a conspiracy against the leveling policy upon which the unions have been inclined to stake their existence.

The program of the unions would seem to be to accept the piece principle as one essentially just in itself, both to workers and to society,— then to limit its stimulation, correct its abuses, and insist on an adequate piece wage. That is not so simple a program as that of the uniform day wage, but it is a right program and it is one that the unions with their present power and their larger recognition by employers can put through. Whatever the difficulties, they are as nothing to the advantage of removing the greatest grievance, both of the individual and of society, against organized labor. The simple program was inevitable at first, but it is not a basis on which unionism can permanently make its stand. At this moment, when our national production is called upon to meet unprecedented demands, will union labor see its opportunity to serve both itself and humanity?

The answer to this question depends upon another which is more serious. Labor has another reason for limiting output, for holding the twenty window man down to the ten window scale. There is a prevailing notion that there is an advantage in making as many days' work out of a job as possible. There is a certain plausibility in it all. If we have a hundred windows to hang and a man hangs twenty per day, that will make but five days' work and bring but five days' pay, whereas if we hang but ten windows per day, it will make ten days' work and bring ten days' pay. The

worker is accustomed to think of wages as fixed except when changed at rare intervals by union coercion. He is also accustomed to see jobs give out and find himself at times out of employment. What more natural than that he should see his advantage in making as many days' work out of this job as possible? If, as is too often the case these days, he is at odds with the employer, he has a further reason in the fact that the five days' wages lost would go to the employer as clear profit. He doesn't like that.

Of course this is very bad reasoning. Making more days' work out of the job is simply making the job more costly and less profitable to the employer, and that is why there are so few jobs. Wages, too, though they seem fixed by the arbitrary power of the unions, are really fixed by that which the worker produces. The union forces the wage as high as it can, but it could force it higher if it would let the men hang twenty windows instead of ten. The builder, too, would start more jobs under those circumstances. It is not making work but saving work that raises wages and keeps labor employed.

But there is another reason which influences union labor to multiply the days' work in a job. It is that it multiplies the men on the job. This, at a time when the unions were working for membership, seemed an advantage as it brought more men within the reach of union persuasion or compulsion and swelled the union ranks. The temporary strategic value of such a policy in the fighting period is evident, though of course the result to wages and jobs is disastrous as before. Doubtless other such tactical reasons, some of them more or less justifiable for a time, might be alleged.

This brings me to the thing I want most of all to say



to labor men in these days of their tremendous power. Hasn't the time come for a bigger policy? Isn't it time to try for a gain such as labor has never yet won or dreamed? I believe I see how that greater victory will be won some day and what that bigger policy will be. I caught a glimpse of it during the war in those days of awful uncertainty when we raced neck and neck with death. Labor was all upset for a while, governed by its old fighting traditions, its hand against every man's and every man's hand against it. But after a while, as we all know, it settled into the collar and pulled magnificently. There was still some shirking and grouching, some striking and sulking, but the travail of the nations mastered us more and more. We know how riveting records were broken again and again until the labor of a week was compressed into a day. It was in those months of titanic effort that no small part of that thirty billions was added to the nation's wealth.

But it was not the record of the riveters that came as the promise of better things. This hectic effort could not continue, should not continue. It was a boiler maker, I believe, who said on behalf of his union that any man caught "laying down on his job" would be "fired from the union." The union thus put its vast coercive power behind the task of insuring an honest and adequate day's work.

It was the word I had waited for all the years. I had heard till I was tired of limiting the day's output, curtailing the employer's power, forcing up wages, a policy, in short, that put the employer on the defensive at every point and brought out all the fight there was in him. I had seen the unions sacrifice millions of days' work and billions of the country's wealth in an effort to get more

and give less. I had seen them fight scabs and destroy property and starve their wives and children. And now here was a union man declaring that the union would see to it that the employer *got an honest day's work*.

I believe I can tell labor an easy way to unionize every shop in the country, and raise their wages besides. Let them require their members to do *at least* a specified amount of work — something more than the poorest man can do, perhaps — and insist upon a certain standard of efficiency and honor, punishing offenses against the employer with fines and expulsion. How long would it be before every sane employer adopted the closed shop? To the non-union man he would say: "I can't afford to employ a man who can't get the union guarantee. When I employ a union man I know what I am getting. I would no more hire a man without the union card than I would buy silver without the stamp of sterling."

Is it not amazing that the unions do not see the possibilities of thus enlisting the employer on their side? Without working an extra hour or straining a single muscle, they could make him their ally, and enormously advance their own interests, by merely using their enormous power over their members in the interest of fair play and honest work. Such a policy would advance wages as no amount of fighting can ever do, and that without the slightest sacrifice of health, leisure, or happiness, and with advantage to the employer and the public.

Perhaps in these days when men have seen visions of a millennium among the nations, when we have joined with Europe to beat our swords into ploughshares and our spears into pruning hooks, and in promises of never, never again, we shall have a vision of another peace where war has devastated so long. It will come slowly,— but

it will be a new day for the workers and a new day for humanity when union labor makes it its *first care* to see that the worker does his honest best for those who recompense his toil. There is one way and only one way for the unions permanently to win out in the great struggle. They must make the union man a better man than his non-union competitor. He must be more efficient, more dependable, better worth hiring, and the greater his superiority, the more absolute will be the union's hold and its power to accomplish its purposes.

Finally, I must recognize that to a considerable extent that for which I plead is an accomplished fact. Power has brought something of wisdom and moderation into the councils of labor. The best proof of it is that noisy radicals are now declaiming against the labor organizations. The radicalism is not less noisy or more reasonable than of old, but it encounters in the more experienced labor leaders and in the great majority of their soberer followers a stubborn conservatism which argues much for their fairness and their sense of reality. I know that the plea for the square deal to the employer and for the enforcement of labor efficiency is heard among them, even if it is not yet at the head of their confession of faith. The niggardliness toward capital which returns so quickly upon the heads of those who manifest it, is discredited as never before.

In particular, I rejoice at the outlook in my own country. Nowhere is organized labor more powerful or more successful in securing substantial benefits for the worker. Nowhere is it more sane or more capable of co-operating with those who must be its inevitable allies. When we turn with something of disillusionment from the peace conference where so much was promised and where so

much of the spirit that we thought exorcised has come to prevail, when we grasp vainly at the League of Nations to find it the stuff that dreams are made of, we may with something of compensation recall the Convention of the American Federation of Labor where the spirit of destructive radicalism went down to defeat.

But does the American Federation of Labor read the signs of the times and see the opportunity now open before it? It recognizes the legitimacy of capital and the necessity of the capitalist. But it recognizes capital and labor as natural antagonists and the interests of the one as permanently opposed to those of the other. It is a militant organization formed, not to destroy capital, but to wrest from it an ever larger share of the product of industry. In this process it has become immensely efficient. But this program has its limits, and there are signs that these limits are nearly reached. Each new victory of organized labor is purchased at greater cost. Each increase in labor's share is secured by decreasing the amount to be shared. There is a point beyond which even successful strikes do not pay.

Let us take a hypothetical but perfectly possible case. In a given industry labor has succeeded in securing fifty per cent of the income. By a long and costly strike it raises this to fifty-five per cent. But the strike has reduced the income and the fifty-five per cent is now no more than the fifty per cent was before. Capital has lost heavily, but labor has gained nothing. There are no end of such cases, and as we approach the limit of possible wage, such cases become the rule.

Meanwhile suppose labor and capital, accepting their fifty-fifty shares, should coöperate heartily to increase the output. There are few concerns where it would not be

possible to increase this from a hundred to a hundred and twenty. Labor would thus get sixty instead of fifty, and everybody would be the gainer.

In a word, it pays to fight for a larger share *up to a certain point*. Beyond that point it pays better to coöperate to increase the output. Are we not reaching,—have we not reached that point? Is the militant policy of organized labor now the winning policy? Unfortunately the militant tradition dies hard and those reared in it are suspicious. The hope of the future certainly lies in a reconciliation between capital and labor and a joint effort to increase the output of industry. Yet labor unions are at present the determined enemy of all joint efforts. These they regard as fraternizing with the enemy and fear as undermining their fighting morale. Who will first see the new light? This is the time for the seer.

It is an ominous sign for militant labor when the state undertakes to forbid strikes by law. No one can be unconscious of the awful risks involved, perhaps threatening the very existence of government itself. Such legislation would never have been suggested had not the continuation of the militant policy become intolerable. Can not labor see that the strike which could be freely permitted when it affected a single employer and was scarce felt in the general market, becomes intolerable when it paralyzes the basic industries or communications of society and brings life to a standstill? Does labor imagine that society will submit to starvation while it coerces its employers? Can not labor see that the plea of liberty becomes mockery when urged in the interest of social oppression by an organized class? These issues are not doubtful. It is only a question of how long it



will take and how much it will cost to adjust ourselves to the new situation. Railway labor must find a way to secure its ends without stopping trains, and miners must not expect justice from a freezing community. Strikes that paralyze society are inadmissible and will not be tolerated. As labor organizations are extended, an increasing percentage of strikes are of this character. The strike is passing and the militant program must pass with it. Let labor seek another instrument.

It is not strange that there are disquieting as well as reassuring signs. With the tremendous dislocations caused by the inflation of the currency, the huge readjustments which follow the war, and the relaxed tension of wartime economy, labor has seemed to lose its bearings and has at times been predatory and brutal, but I believe these are the phenomena of transition. America leads in wealth and population and power. Let us hope that she will lead also in the sanity of her workers and in their ability to serve a needy world.



## CHAPTER XIII

### WHAT LABOR DOES NOT WANT

As I look on at the huge turmoil of our time and note the well-nigh revolutionary changes which are taking place it seems to me that the employer's task of readjustment is perhaps the most difficult of all. The difficulty is not in the labor situation, or in the market with its new demands, or in capital with its call overseas, or in any of these objective factors, though in all these there is difficulty, and plenty of it. The difficulty that impresses me as greatest — almost insuperable — is in the employer himself.

The employer is likely to be a strong-willed and imperious person. If he has risen from the ranks, as is so largely the case in America, it is by virtue of just these qualities. Masterful by temperament, he has grown up in a fighting age. He has had knockout fights with labor and has not always found labor either reasonable or trustworthy. His very right to exist has been challenged, and the demands of labor have at times been formulated with a distinct view to his elimination. When agreement has been reached, service has often been grudging and treacherous. He is a fixtured while labor comes and goes, and dependable relations seem impossible. He has tried profit sharing and philanthropies, all to little purpose.

The result in too many cases is that employers bred in the conditions that have prevailed in the last fifty years are not in a conciliatory attitude toward labor. Such

successes as they have gained in the struggle they have gained for the most part by hard fighting. Like the labor unions they are creatures of fighting conditions and they embody the fighting tradition.

The situation is greatly aggravated by the development of "big business" in our day. Concerns grow to such vast size that the authoritative head has no acquaintance with those in his employ and relations become impersonal and rigid. How many employees of the Pennsylvania Railroad or the United States Steel Corporation have ever seen the presidents of those institutions? Contact in such cases can only come through intermediaries, and these, however human, lack something of the freedom of action indispensable to the effective exercise of humanity. There are always directors and stockholders looking for "results" and unconscious of the human problems that are involved in securing them. These impersonal relations eliminate, almost of necessity, the play of personality and reduce the game, for labor and capital alike, to a hard calculus of advantage.

The men born of this system are poorly fitted for any other. They have learned too much and remember too much to be open-minded to contrary things. Very few of the older men who have been fashioned by the experiences of the last thirty years will be able to adjust themselves to the new conditions that are before us. We must wait — let us hope with patience and deference — for their successors. That has always been true in such cases. The consolidation of business concerns has always found its chief obstacle in the intractableness of those who have piloted them through earlier periods of storm and stress. I recall an amusing account of the experiences of an expert of such a combination whose task it was to

bring into some sort of co-operative temper these strong-willed heads of the several plants whose struggles had been their own. You could not tell these men what was what. The most roundabout methods had to be adopted so that the necessary suggestion of change should seem to emerge from their inner consciousness. Much had simply to wait till these stiff-necked creatures of an earlier age died out of the way.

These men do not want war. They do not want to be unjust. They are often capable of magnificent generosity toward employees and toward the public. They are willing, for the good of the public or of their own men, to part with anything except their own masterfulness. Hospitals, pensions, model dwellings, clubs, social secretaries, entertainments, privileges,—all that and more. And the futility of these concessions confirms their belief in the unreasonableness and ingratitude of labor. There is something pitiful in these honest but hopeless attempts. The world would be amazed if it knew the sums spent today by industrial concerns for the benefit of their employees quite outside of wage increases.

But all this is an attempt to give the worker something that he does not want. Not but that he takes it more or less when offered and even concedes its beneficence with a certain passive approach to gratitude. But who ever heard of a strike to secure a workman's hospital or a working girl's club? Who ever knew the workers in a factory to demand a social secretary or a Y. M. C. A.? Even the demand for company houses is rare, though protest against rental abuses is not unknown.

All this is good, and should be done whether the workers want it or not. Thus a hospital with prompt attention to injuries is a good thing, not only for the

employee, but for the employer as well. It lessens the time lost and economizes labor force. It diminishes the compensation for injuries now generally required. Similarly, clubs, and places of decent amusement conduce to good habits and efficiency. Satisfactory housing conditions are often the key to the problem of labor supply, and pensions tend to attach the thriftiest and most valuable employees to the permanent service of the firm. I can imagine, too, that social secretaries and other like functionaries of whom I hear from time to time may render valuable service to the employer, if not in improving the attitude of his employees, at least in acquainting him of it. There is abundant justification for these and other good works on the employer's part.

But as a solution of the labor problem they are negligible. They remind me of the small boy, son of a very strict puritan father, at whose house a friend was visiting the day of the circus. When the friend left, the boy walked with him to the station. "Aren't you going to the circus?" said the unsuspecting friend. "No, father doesn't want me to go. But he says if I will be good and not ask to go to the circus, he will take me to the Presbyterian General Assembly next week."

Now labor isn't going to be good and give up its circus on any such terms. It doesn't take to these "improving" things, especially when conferred from above and with the inevitable implication of tutelage. Moreover, these things are plainly in the employer's interest and it is assumed all too easily that that is his reason for offering them. They are not born of the workers' ideals or of their imagination. When children learn to cry for Presbyterian General Assemblies then labor may learn to kiss the hand that confers these blessings.

Profit sharing was heralded thirty years ago as the solution of the labor problem. It can hardly be said to have fulfilled these earlier expectations. Perhaps its most pronounced successes were at the outset. Somehow its undeniable benefits left capital and labor alike apathetic. Of late there is again talk of profit sharing, but some of the proposals are of doubtful sincerity. Other proposals again arouse hopes that a solution has been found. We shall see. Meanwhile it behooves us if possible to see why profit sharing has accomplished so little.

In the first place, it ran foul of the labor unions, for it was quickly apparent that it was calculated to curtail their power. When a strike was proposed, the men naturally hesitated because of the profits which they would thus sacrifice. It was useless to tell the union that the workers would get more this way than by striking. They were not to be persuaded by any such argument, even if true. Moreover, it was not true. They would get more of something, but not of the thing they really were after, though they saw but dimly, and the employer scarcely at all, what that thing was. In any case, the union, as such, instinctively recognized in profit sharing a rival and enemy and objected emphatically to this attempt to seduce the laborer from his natural allegiance.

Employers also objected, and that for a far less intelligent reason. The stock objection was that no system of profit sharing was fair unless it provided also for the sharing of losses which obviously an agreement with labor could not do. This objection has always seemed to me to overlook the essential nature of profit sharing, namely, the stimulus which it gives to labor. That must be its justification if it has any. If it is merely a way of



dividing fixed earnings, it is not so good a way as the wage system, which removes the fluctuations of industry from the workers who can not bear them and throws them onto capital whose accumulations are more elastic. But if the system really increases the amount of the year's earnings, then there is something to be said for it.

There can be no doubt that where successfully established it has done so. The essence of profit sharing is, therefore, to give the workers part or all of the additional profit which they are stimulated to produce. The old way of putting it used to be something like this, that all profits over and above a certain amount — usually unspecified — would be divided evenly. It was expected that the workers would work enough harder and manifest enough more good will to create the profits thus distributed to them.

It is clear that under such conditions the laborer would bear his share of the losses and perhaps more. Let us suppose the case of a concern which has made in flush times a profit of a hundred thousand a year, in hard times no profit at all, and in disastrous times has known a loss of a hundred thousand. Profit sharing stimulates the men to create and save to the extent of fifty thousand a year. That stimulus, working in bad years as well as good, changes the income for the three years in question to one hundred and fifty thousand, fifty thousand, and fifty thousand loss respectively. Suppose the firm divides all profits above fifty thousand. It will pay out fifty thousand the first year and nothing in the second and third. Yet it will have lost nothing in the first year and will have gained fifty thousand in each of the other years. Is it not manifest that any attempt to make labor stand part of the loss in the third year would be



as inequitable as it is impracticable? If labor really does better by reason of profit sharing, it reduces losses without compensation and increases profits on shares.

I do not know what the possibilities of profit sharing may be under the new conditions, but it can scarcely be more than a palliative. It is psychologically incapable of giving the worker what he wants and is economically unsuited to his needs.

In this connection it may be as well to raise the question whether any policy of contingent reward is likely to appeal to the workers or ought to do so. A contingent reward can never be a uniform reward, for no human wisdom or skill avails to secure a uniform product from industry. Any reward that is made contingent upon this product must fluctuate with it. But the weightiest considerations of individual and social welfare demand the maintenance of a constant provision for vital needs. Perhaps the most fundamental difference between civilized and savage life is the uniform daily ration. Alternations of famine and feasting are equally demoralizing and make sustained effort and effective control of the forces of nature impossible.

Capital, on the other hand, is much less dependent upon uniformity in its maintenance fund. Improvements and extensions can be held up for considerable periods of time and then pushed with vigor when conditions are more favorable. More concretely, it is desirable that wages and salaries, the income that we have to live on, should be as constant as possible, while profits, the fund that recruits capital, can safely fluctuate within comparatively wide limits. The present arrangement, therefore, makes profits or capital the shock absorber for wages and individual maintenance.

Profit sharing and all devices for contingent income are in contravention of this principle. Their justification is found, if anywhere, in the increase of production. But unless production is increased to the extent of the whole amount distributed, the inevitable result is that the contingent income reduces the guaranteed income. That is, the worker gets a share in profits, but he gets a lower wage.

It is more than questionable whether he would be better off even if the aggregate amount received were greater. It is a regrettable fact that most men have little foresight and little power to make profitable use of fluctuating income. Their standard of living will be determined by the minimum, and irregular additions will be unprofitably used, not to say wasted. There will be exceptions but they will be a small minority.

Shall we therefore make the worker a sharer in the fluctuations of industry and try to develop in him the foresight and continence required for the difficult situation? Or shall we aim increasingly to shield him from these vicissitudes, commuting all industrial gains into advances of the fixed wage? There can be no question as to which he prefers, no question as to which would most economize the social income, no question, finally, as to which policy society has actually chosen. It is a sound psychology that makes organized labor distrust all propositions of contingent income. The same instinct should lead them to reject all proposals looking to the elimination of capital and the merging of its functions with their own.

In the proposals here discussed and others like them we are guilty of the old mistake that men always make, the mistake of ignoring the essential idealism of humanity. Recognizing the ideal only in our own familiar forms, we

think all men materialists except ourselves. They care only for material well-being and will sell their birthright for a mess of pottage. So we bid with our pottage. If they refuse, we offer them a bigger pot. If they demand immaterial good, we offer to take them to the Presbyterian General Assembly. A refusal to accept this boon proves to us their lack of idealism and their hopeless unreasonableness.

It was the same way about the war. One pottage prophet came to us with the illuminating discovery that war did not pay. You were dollars ahead not to fight. He proved it conclusively. And then the consenting world proceeded to spend a couple of hundred billions on war. The prophet probably still thinks that he solved the problem, and that the action of mankind proves the hopeless perversity and unreasonableness of men.

And here again is the same all perverting assumption. I hear employers tell how much they have done for labor. Sometimes they are complacent, sometimes complaining at labor's ingratitude. But complacent or complaining, they rarely betray any consciousness of the real attitude of labor. Workers are men. They do not want to be done for. They want the privilege of doing. Their capacity to do may be limited. The privilege may prove mischievous in its exercise. But it is the one privilege that is worth having. They are men, and the essence of manhood is the power to will and to do.

The turmoil of our time is one vast exemplification of this principle. With every loosening of old bands, every disturbance of the old equilibrium, this irrepressible human characteristic asserts itself. Woman suffrage! Why? Because woman needs political protection? Because she can purify politics? Because it will enlarge

and develop her? Perhaps so. All these claims are urged sincerely enough. But the one real compelling reason is that she wants the privilege of willing and doing. It isn't a question of doing any particular thing or of doing things better — just a question of doing. That is all.

So with the nations and the folklets. Poland wants to be free; Bohemia, Slavonia, Serbia, Arabia, Ireland, India, Egypt, the Philippines, all want to be free. The material benefits of union, even of dependence, are incontestable, far exceeding anything that freedom can hope to confer. It all matters not. Egypt is undeterred by her certain return to slavery and the reign of the calabash, India by her tyranny of caste and her internecine race struggle, Ireland by her weakness and her sectional feuds, — all deterrents are vain. The man stuff within them is roused and they crave the man's privilege — to will and to do.

It doesn't follow the least in the world that this impulse should always be gratified. That would be the annihilation of all government, all discipline, all order in the world. Only the anarchist believes in this absolute deference to individual and national impulse. The result would be anarchy as he consistently recognizes — not the spontaneous harmony of which he dreams, but a clash disastrous and insufferable. A free Egypt would be a calamity; a free India an immeasurable crime. Such harmony and order as are possible in the world are possible only through compromise. It is a truism that too much liberty means too little liberty, and that liberty unrestrained is liberty self-destroyed. Rarely has this truth been better exemplified than at the present moment as we witness the havoc wrought by the liberty instinct

asserting itself with explosive violence. The warning particularly fits our case.

But all the same, this is our problem. This is what labor wants. The world is in travail with the birth of a new liberty. It is the universal demand, a demand everywhere exaggerated, everywhere encouraging impossible hopes, everywhere calling for stern limitation, but everywhere the one thing desired.

I read with interest the demands which organized labor addressed to the peace conference. This was a supreme occasion and here if ever we might expect a definition of labor's fundamentals. It was with astonishment tinged with amusement that I read the demand that held the place of honor at the head of the list. It was that labor should not be considered or spoken of as a commodity. Why this appeal to the mighty enginery of the nations in league, all in the interest of a phrase? What is in a name? Would I mind if authorship were treated as a commodity? It seemed to me not. Perhaps I should, though, if I had had the experience. Perhaps it stood for more than it seemed. Anyhow, here was the fact. Labor, privileged to express its supreme wish, states it in terms of personality.

There is no solution of the labor problem in the sense of a permanent harmony in which all legitimate impulses shall be fully and permanently gratified. The notion that the complete unleashing of impulse would disclose a hitherto unknown harmony is an iridescent dream. The next stage must be like the preceding, a compromise to be accepted with heartburnings and misgivings on either side and no other gain than a lessened hostility and a subsidence of mutterings and suspicion. It will be but one more of the successive, human, partial solutions that

make our world. But it will come not through patronage or benefits or increased material well-being, but by granting to the workers a larger measure of liberty and control, a larger measure of the privilege of being men.



## CHAPTER XIV

### WHAT LABOR WANTS

A SHREWD employer, known the world over for his success in dealing with labor, recently remarked: "Wages have increased enormously in recent years and the worker is immensely better off, but he is as far from satisfied as ever. What he wants is control." He hit it. That is the fact underlying all other facts. It is the fact that explains the unreasonableness of strikes, the assertion of labor's power when no tangible result seems to be aimed at. It is that that explains the demand for recognition of the union, the outside interference in peaceable establishments, the infinitely obnoxious activities of the walking delegate, in short, all the irritating eccentricities of union activity. Labor is manœuvring for control.

This, then, is the test that the new employer must meet. Can he relinquish control? On the face of it the proposition seems absurd. It is control that makes him an employer. To relinquish control is to relinquish his function, his very existence as an employer. Taken absolutely, this is true, and the demand for the complete surrender of control is absurd. Russia should teach us that, would teach us seemingly beyond possibility of doubt if the screen of obscurity were once lifted.

Nevertheless the problem lies right here. The solution of the problem lies not in profit sharing but in control sharing. The alternative to the Russian folly is

some form of sane co-operation. It is doubtful if that co-operation in any form will conduce to efficiency in management. Its great advantage will be that it will make the concern willing to be managed. It need not and will not displace the leadership. It will rather ratify it. Perhaps we may put it this way, that control should be so given to labor that labor will voluntarily hand it back, — so far as it ought to be handed back. In other words, can we, by giving labor a share in potential control, secure its consent to the employer's expert direction?

We have inoculated the world with democracy, and democracy breaks out in unexpected places. But democracy does not mean the rejection of leadership. It means getting the consent of the led. Increasingly, too, it means intelligent appreciation of leadership and of the common goal and purpose. Are we ready for industrial democracy? Certainly we are not ready to go the whole figure. Neither side is ready for that. But the next move is that way.

And the move is being made all over the country in all sorts of ways. Some of these ways meet the issue and some of them evade it. They deserve our brief attention. No attempt will be made to discuss various details of application. We are concerned merely with the principle involved.

Take the case of one large corporation,—the type, no doubt, of hundreds,—that distributes stock to its employees against accumulated profits. This, of course, is profit sharing, but with this difference that the profits thus shared are perforce invested in the concern. There are two advantages in this. The profits — usually realized, of course, in the shape of increased plant or materials — do not have to be paid out in cash, a decided

advantage to a growing concern and almost a necessity in any scheme of extensive profit sharing. Further, the stock gives the holder a vote in the management of the concern to the extent of his holding, and inasmuch as the right of sale is carefully restricted, it tends to attach the holder to the company's service.

Whatever advantages this system may have, they hardly touch our problem. As a system of profit sharing it is very restricted. It is possible to distribute money among any number of employees, but stock can be given only to a selected few, usually to foremen and employees above the union line. On the other hand, the control thus secured is rather illusory. Such stock can never represent more than a small minority, and its privileges are limited to the stockholders' meeting where its influence is negligible. If there were a chance of its becoming a real power, it is safe to say the scheme would never be tolerated. Imagine a real worker in possession of such stock and present in the stockholders' meeting. How utterly out of place, how helpless, he would feel! He would not be among his own kind of people. He would be mystified by their jargon and their unintelligible procedure. He could do nothing but vote for directors or officers of whose functions he knows little and with a choice restricted to candidates most of whom he never saw. The whole experience would emphasize, not his power, but his helplessness. If he valued his stock at all it would be for its dividends which mysterious powers were able to give or withhold at their pleasure. No doubt such a system has its use in broadening the base of support and attaching the operating staff, but to the workers who feel themselves the antithesis of the controlling caste, it is a mockery.

Another concern has reorganized, issuing preferred stock to the former owners to cover their equity in the enterprise, and issuing common stock to employees against the hypothetical increase of profits which the new arrangement is expected to produce. So long as they pay the dividends on the preferred stock, the holders of the new common stock control the concern and whatever they make in addition becomes theirs. This is a much more drastic arrangement than the foregoing. It means the abdication of the old management and the installation of a new control drawn from the employees. In this respect it differs radically from the case just considered. It not only shares but surrenders control.

But in the more vital point it is again lacking. It goes without saying that such a surrender of stock and control could never be made to a shifting body of workers. To the inconstant worker the possession of stock would mean nothing without the privilege of sale, and with that privilege the stock would be quickly scattered and collected by speculators to the detriment of all parties. In the case under consideration the distribution was made to a very limited class of superior and permanent employees, foremen, superintendents, and the like. It is significant that they at once voted to retain the old management, thus perpetuating the old relations in fact while reversing them in theory.

Once again this scheme is at best but a means of stabilizing and stimulating an expert operating staff rather than a solution of the labor problem. How much importance attaches to this result an outsider has no means of knowing. It looks on the surface like a means of insurance against lapse of management or a running to cover from the coming storm. It may very well have

— in the case cited it almost certainly did have — generous motives as well. But it raises the query whether something is not lost by identifying the operating staff too closely with the management. They are thus added bodily to the employer caste and cease to be intermediaries between the two. But whatever the advantages of such an arrangement it does not solve our problem. It is above the labor line.

Let us if possible shake ourselves loose from the obsession of all these schemes that are born of the employer consciousness and appeal only to his psychology. Labor does not want to sit in the stockholders' meeting or to share that sublimated and technical control which to the employer means so much. Labor does not want dividends based on inventories and annual statements whose technical phraseology and methods are foreign to his habits of speech and seem to him to admit of unlimited juggling. Labor values exceedingly little any reward that is not paid on Saturday night. Above all labor has its solidarity. It likes to flock by itself, and the control that it seeks is a control that will recognize and enforce that solidarity, not one that tends to disintegrate it. No policy of promotion from the ranks of labor into the employer's caste will solve the employer's problem.

It is obvious that the cases here cited are not genuine concessions to the demands of the workers. It is only fair to add that they do not pretend to be. Probably the nearest approaches to such concessions are to be found in lesser establishments where close personal relations are maintained between employer and employee, and where without formal arrangements of any kind business is con-



ducted much in the open and in the spirit of co-operation. But these cases are unfortunately less and less typical of modern industry. The more complex and impersonal establishment can accomplish little along these informal lines.

I can not repress a feeling of profound misgiving at the thought of inviting modern organized labor to a share in the control of these huge modern establishments. The vastness of the problem involved, the low-grade intelligence of many laborers, the irresponsibility and dishonesty of many labor leaders, and their tremendous power over the ignorance that they know so well how to handle, makes the proposal of actual co-operation and joint authority audacious in the extreme. To all these inherent difficulties must be added two others which give them tremendous additional significance.

The first is the fighting tradition of organized labor. Labor has not organized in the interests of peace and co-operation. The movement is essentially militant. Its rules, its leadership, its traditions all bear the stamp of militancy. The employer class is definitely envisaged as an enemy. It is most significant to note the effect of labor organization as it penetrates some hitherto unorganized community. Relations here may have been of the friendliest, but let the union organizer enter the field and there is a line-up in separate camps forthwith. There is a sudden discovery of grievances, a sudden formulation of demands, and a mobilization for the campaign. The fighting spirit follows in the wake of the organizer. To a large extent it is gratuitous and artificial. The traditional militancy of the organization can not adapt itself to peaceful conditions. The leaders are



at a loss to know what else to do to justify their existence and maintain their ascendancy. The only thing they know how to do is to fight and to organize men for fighting.

And with fighting and the fighting spirit there comes, of course, that sullen unwillingness to increase the resources of the enemy, and so eye service, "laying down on the job," and all the miserable train of destructive and depressing influences with which we are but too familiar. It certainly requires a stout heart to invite such an enemy into actual co-operation, to place in his hands, so to speak, the key to the citadel.

The second obstacle is perhaps an outgrowth of the first. It is the prevalence in labor circles of an utterly destructive philosophy of industrial and social relations. It is perfectly possible to wage war on an enemy without denying his right to exist. But if the war is continued long enough, its spirit becomes one of extermination. And this spirit expresses itself not only in vindictive sentiment but in specious reasoning born of that sentiment. This is peculiarly noticeable at present. There is not only hostility to capital and sullen hate of the capitalist, but there is no end of argument that he has no right to exist. This argument exists in every conceivable form of vagary. It is guiltless of consistency or logic, but it serves admirably the purposes of militancy.

Can we make labor organization serve the purposes of peace? For, let there be no mistake, it is organized labor with which we have to deal. Unorganized labor is as helpless for purposes of peace as for purposes of war. Labor must develop its own coherence, choose its own leaders, and determine its own policy. Can we completely transform the character of present labor or-

ganization, modify its traditions, change its leadership, its methods, and its ideals? And by "we" I mean, of course, primarily the workers themselves. The outsider can do little more than recognize and welcome the transformation. It is a task which may well overtask our faith, but it is the irreducible minimum of what the situation demands.

And it is being accomplished. Two movements are discernible and are rival candidates for the honors. On the one hand there is a noticeable lessening of militancy in the fighting organizations. The best proof of it is the harsh criticism of the militant element within the organization itself. Thus a prominent radical has recently asserted that "the American Federation of Labor is now serving the purposes of capital," a fact which fills him with disgust. The truth contained in his accusation is that this great organization has made the momentous discovery that capital is necessary and that the capitalist performs a useful function as its custodian. Recognizing this fact, it inclines toward an understanding with this its inevitable ally and offers terms a little short of absolute extermination. The attitude is still one of extreme suspicion and the terms proposed are leonine at times, but the spirit is incipiently co-operative. The war-to-the-knife party is alarmed.

The other movement is the formation of new organizations untrammelled by militant traditions and leadership and avowedly for purposes of peace and co-operation. The movement is in its infancy and is purely local as yet, but the militant organizations are visibly alarmed. Traditional organized labor has set itself with vehemence to extirpate the new shop committees that are attempting the difficult task of coördination. If they succeed

they will retard the adoption of the new policy. If they fail, they will adopt it, or they will perish.

Every means of suasion at the disposal of society should be employed to the utmost to force a settlement of this problem at this time of supreme need. Somehow this paralyzing hostility must cease. It can not cease by a knock-out victory on one side or the other. Labor will never again be reduced to submissiveness under the autocratic direction of capital. Capital can not be crushed without paralyzing industry. It is useless to reiterate that the two are natural allies. Measures must be devised to make that theoretic alliance a concrete working fact. The two must understand each other and trust each other. I am appalled at the difficulties to be overcome, but blank ruin stares us in the face unless we find a way to overcome them.

## CHAPTER XV

### JOINT CONTROL

THE control which the worker seeks appropriately begins with the shop. There the majority of his working hours are spent. He therefore seeks to control the conditions of life here as matters of chief concern to him. This does not mean that he wants a cushioned chair. Softness is not the manhood ideal of comfort. Nor does it mean that he desires to shirk work or to reduce output or even to increase his pay, though some of these frequently, and others occasionally, find a place in his demands. Even the conditions of health and safety are rarely the subject of chief insistence, so rarely that improvement in these important matters has more often been due to outside pressure than to the worker's demands.

The conditions of life in the shop as in the community are largely personal and intangible. Our comfort depends upon personal relations, congenial ways, and above all upon personal recognition. The hardest of all things to endure in any community is lack of recognition, the consciousness that one has no place, no determining voice. This is the lure of the union. It is a little worker's world where the individual counts, where he has standing and recognition. It is not the creature of patronage. It creates and controls itself and is lord in its own domain. It must be a feeble imagination that can not find in personal experience the counterpart and justification of this tenacious assertion of class spirit.

The most obvious application of the principle of industrial democracy would therefore seem to be in shop government, the formulation of shop rules, and the determination of living conditions in industry. This is at once the connection where the employer has least to lose and most to gain. Whatever is lost in the content of the rules is pretty sure to be gained in their enforcement, and in the lessened sense of opposition of interests. There can be no sort of question that rules affecting health and safety, for instance, would be far better observed if adopted by the workers than if imposed by outside authority.

It is hardly necessary to point out that such a move chimes in perfectly with the more hopeful attitude of labor mentioned in a former chapter. If the union ever gets to the point of adopting as the first condition of membership the requirement of an honest day's work and the punishment of those caught "laying down on their job," how much more likely will be the enforcement of that principle in a shop where the workers are consciously responsible for all that is done? How naturally could the spokesman of the workers admonish the shirking newcomer that he must mend his ways or meet the workers' discipline! It is a far cry from present conditions, as they exist in certain establishments, to conditions such as are here suggested. I can imagine the incredulity with which many an iron-fisted autocrat of the old school will greet these suggestions from the expert of inexperience. But I submit them with the full consciousness that they hardly exceed the actual conditions as they exist in many progressive establishments. That the movement is in the direction indicated I have no shadow of doubt. Its practicability will vary enormously according

to physical conditions and the character of the labor employed. But if the honor system will work among prison convicts, it is difficult to believe that it is incapable of application here. It must be remembered all the time that control is the thing sought, not mere remuneration or physical well-being. Is there any place where the control of the workers is more appropriate or less dangerous than here? In a word, if control is the price of peace, is there any place where the employer can buy it cheaper than here?

The problem here discussed is a local problem. Each shop will be a problem by itself, due to local peculiarities. It is what we may call the town meeting aspect of industrial democracy. It will best be solved by preserving local autonomy to the utmost. It is a question too whether the interest of all, even of the employer, will not be best conserved by leaving the task to the workers alone.

But important as are these questions of shop management and living conditions they are by no means the whole problem. Men want much besides wages and no wage concessions will bribe them to ignore other demands. But after all they do want wages and their demands in this connection are importunate and embarrassing. There can be no question that their policy as an organization aims to control in a degree the determination of wages and consequently the income of capital. It remains to be seen how far these ambitions can be gratified.

It may be well to note first, however, that the wage problem is much aggravated by certain extraneous considerations. First, discontent of any kind is apt to express itself in wage demands. Unfortunate personal



relations due to intangible factors which can not be made the subject of definite protest, will tip the scale in a doubtful wage controversy and find expression in a tangible demand. There can be no doubt that many a wage controversy has been precipitated by other than wage considerations, and conversely, that many a wage strike has been averted by favorable personal relations. Much of the irritation against the outside agitator is due to the fact that he, in the attempt to enforce general and average conditions, interferes with a local situation in which the employer is really capitalizing his personal tact and popularity. We can understand the irritation of an employer at this disturbance of a situation which he has tranquilized on favorable terms, but perhaps the other side has something to be said for it, despite its frequent brutality and unreasonableness.

More significant is the growing tendency to challenge the right of capital to exist and consequently the legitimacy of profits, large or small. Where this challenge exists, of course the demand for wage increase is unlimited. There can be no question that modern wage demands are often motivated by this extreme temper.

Closely akin to this is the growing insistence of the workers upon the standard of living as the sole criterion of wages. Where this stand has once been definitely taken, arbitration between capital and labor becomes all but impossible. Such was the well known case of railroad wages which culminated in the Adamson law. The plea of the roads that their income was insufficient to pay the wages demanded was brushed contemptuously aside. Labor must have enough to live decently was the sole rejoinder. Of course in this case the inexorable

dependence of wages upon product was obscured by the vastness of the relation involved. The easy suggestion was that income be increased by raising rates. That the raising of rates — at least beyond certain limits — might not increase income remained unhappily to be demonstrated later.

The trouble with the standard of living as a criterion is its indefinite expansibility. It grows by what it feeds upon. The decent living of today is the beggarly pittance of tomorrow. This is as it should be. The ceaseless pressure of human imagination with its insatiable demands is the indispensable condition of progress. But a runaway standard of living brings inevitable disaster. The standard set at a given moment becomes purely arbitrary and inevitably tends to exceed the possibilities of the economic situation. In so doing it jerks itself up short and with pain and disaster calls a halt to progress.

A striking example of the inflexibility and injustice of an arbitrary standard of living was furnished during the war. The rise in general prices as well as the strategic necessities of the situation created a demand for higher wages. With the entry of our own nation into the war immense economies were necessary. The lesson which Europe had learned by three years of bitter experience was tolerably clear to us from the outset. We could not spend our money for a war and keep on spending it for other things. Economy was urged with an insistence that was without precedent. Many producers of even semi-luxuries found the demand reduced to a tenth of the normal. A piano dealer asserts that if the war had continued another year the manufacture of pianos would actually have stopped.

But labor demanded a wage increase sufficient to

"maintain the standard of living." <sup>1</sup> This had become a slogan and was regarded as axiomatic proof. The demand was made in perfectly good faith, unmindful of the fact that to maintain the standard of living meant a refusal to economize, and that for the most numerous class to demand exemption from economy at a time when heavy economies were demanded of the country, was to roll the burden of economy with undue weight upon the shoulders of the remainder. Labor was not unpatriotic as was proved in many ways, but labor was obsessed with the idea of an *arbitrary* standard of living which must never be allowed to move backward and must at every possible opportunity move forward, an obsession perfectly explicable by the last century of industrial development, but an obsession fundamentally unsound and at times dangerous.

It is dangerous, not only in such emergencies as that of the late war, but in its constant relation to capital. Those who insist upon an arbitrary standard of living may recognize in theory the legitimacy of capital and its right to remuneration, as was true, for instance, in the railroad case above cited. The railroad labor organizations have pronounced in no uncertain terms on this point. And yet if the standard of living is enforced *arbitrarily*, that is, with no deference to the situation and no inquiry as to the ability of capital to meet its demands, it becomes the actual ally of those who are sworn to destroy capital

<sup>1</sup> As these lines are read in manuscript comes the demand of the railway brotherhoods for the "Plumb plan" of government ownership. Its most prominent advocate urges as a chief argument that the President has not kept his promise to advance wages as fast as the cost of living increased. That would mean a promise to maintain normal consumption in time of shortage. For wages to chase prices under such conditions is like chasing the rainbow.

altogether. Labor can not say to capital: "You must." It may say and should say to capital: "You must if you can."

It is apparent at a glance that the second ultimatum is much weaker than the first. We can hardly expect any such concession or considerateness as long as the two parties are on the defensive and keep their own counsel. Labor will never say to capital, you must if you can, and then leave it entirely to capital to say whether it can. Even if labor fully recognizes the necessity of asking no more than capital can pay, it will decide for itself what capital can pay and then will put it up to capital as a simple, you must. In such cases labor is not likely to err on the side of moderation.

I confess I am appalled by the difficulty here presented, but, nevertheless, I see but one perfectly clear way out of the woods. It is a way beset by obstacles that seem almost unsuperable. To many a concern for decades to come they will be altogether so. None the less there can be no mistaking the way.

The way to meet the attack upon capital, be it from the theoretic socialist who believes that capital is unnecessary, or from the labor unionist who would maintain the standard of living at any cost to capital, is to familiarize labor with capital in its actual workings. Huge profits seem totally gratuitous under that name, but translated into terms of new buildings, better appliances, and increased efficiency, things that the imagination of the worker can keenly appreciate, they make a very different appeal. The worker who thinks that the whole product of industry should be distributed in wages cares nothing about abstract arguments as to the necessity of capital, but he is keenly appreciative of concrete instruments and

facilities and can understand the necessity of providing for them. The man who thinks the capitalist a parasite will revise his opinion when inducted into the perplexities of the capitalist's problem. In short, the way to make labor considerate of these vital functions which are so constantly menaced by his unsympathetic aggressiveness, is to translate them into realities to him. That ought to be possible. That is possible. The worker is so intimately associated with the productive processes that the real functions involved are not beyond his comprehension. If capital is a doer of real things he can be made to see it. If the capitalist performs a service as the custodian of capital and the judge of its profitable application, he can be made to understand it. Not every worker, of course, but a representative and controlling element.

But will labor concede to individuals, however useful, the large rewards that play so large a part in the world of industrial incentive and that in their use play so vital a part in developing the standard of living? Can the worker see the use of the large spender and his indispensable contribution to his own employment and his own standards of living? That is not so easy. While the two are hostile, it is impossible. Yet when I recall what hero worship has done in this world of ours, how it has led humanity from the beginning to shower its favors without stint upon the objects of its choice, and to spread its garments in the way of their triumphal progress, I wonder if it has no place here — if industry alone is devoid of the romance and the idealism of humanity. To be sure there are some beneficiaries of the present order who would scarcely find confirmation of privilege in either hero worship or the appreciation of recondite functions. It is just possible that some of them ought not to find it.



But it is idle to approach this problem with the assumption that only the worker needs illumination. Quite as often, perhaps more often, it is the employer that needs to see a great light. It is vital to our appreciation of the problem to recognize that the approach should be mutual.

First of all, the employer must give up completely the idea that he is to decide unaided the relation between the two. No amount of consideration for labor will make labor accept paternalism and autocracy. It does not in the least help the case to point to the power and arrogance of labor as limiting his autocracy. A balance between autocracies is no solution. Somehow means must be found by which joint interests can reach a joint determination of their relation. And an indispensable condition of this is that the employer must lay the cards on the table. He must have no cards up his sleeve. There must be no bluffing, no deception. It will not be easy for him to do this; it will not be easy for labor to believe him when he does. There will be endless opportunity for abuse of confidence, and the gravest considerations of credit, competition, and the like, to prevent entire frankness. At best, the momentum of the old suspicion and hostility must long continue.

A second requisite is that the employer should be heartily in sympathy with the progressive standard of life of labor. He must see in this, not a progressive and regrettable handicap to industry, but the very substance and measure of industrial success. Compelled as he is to stand like a rock against the labor doctrine of an arbitrary and unconditional standard of living, his one chance of a reasonable hearing must be the conviction of labor that he sympathizes with its ambition. If he is to persuade them to adopt the milder formula, you must if



you can, it must be by convincing them completely that he would if he could.

I am not unconscious of the vagueness of these suggestions and regret that they must remain so. It would be distinctly an abuse of the outsider's privilege to suggest definite steps to be taken in situations replete with local individuality and quite beyond my experience. I only feel convinced that the matters of joint interest between modern industrial factors must be made matters of mutual determination. Believing absolutely in the function of capital and of the capitalist in organized industry, and in the private ownership of capital as the only efficient custodianship for it; believing, too, that a concentration of wealth with accompanying privileged spending is vital to the progressive standard of living, I can not resist the conclusion that these things will bear knowing and that their defense must lie in their ability to demonstrate their functional character and their social value. I may be mistaken in my judgment of these institutions. I may, too, exaggerate the ultimate reasonableness of men. A frank appeal to democracy may not save them. I am sure that nothing else will.

Of course there is much that will not survive such an appeal. Coarse selfishness and sodden indulgence will find short shrift once the charter of brute autocracy is revoked. It will be with wary steps, too, that accumulated wealth must walk over the bridge of inheritance. It will be a winnowed and purified élite of wealth that retains its privilege through the great ordeal. So be it. We have indeed made little progress toward the solution of our problem if we have not discovered that wealth and profits are to be held to a new accounting. No doubt the withdrawal of unsocial privilege will seem a monstrous

innovation and will not be effected without embarrassment to legitimate social functions, but then there are some things we may as well reconcile ourselves to, and that is among those things.

The thing to be aimed at is mutuality and the recognition of correlative functions. My impression is that employers can afford to bid pretty high for the real establishment of this relation. Doubtless the gain will vary greatly according to conditions, but there are many industries where it would work miracles. The employer who can not grant a wage increase of ten per cent without ruin, may in certain cases grant three times that with profit if he secures the co-operative spirit into the bargain.

But it can not be too strongly insisted that no amount of wage increase, just as such, will purchase the coveted relation. A successful raid upon jealously guarded capital only prompts to other raids. If the two hostile factors are to get over thinking of each other as the chief obstacle to the attainment of their ends it must be by a common effort to face the other obstacles to their common enterprise. There is reason to believe that many an employer who stands trembling at the mercy of labor would find relief by frankly asking labor to help him meet his difficulties. The joint committees now forming in English industrial concerns, committees on which both workers and employers are represented, promise advantages in the reconstruction of British industry which may be the inauguration of a new era.

As a concomitant of these efforts it may be well to emphasize the importance of restoring the personal factor to something like its old time place in industry. Personality has been well-nigh eliminated from industry, to its very great loss. There are not wanting those who

recognize the necessity of bringing it back. I have in mind one very large enterprise employing thousands. The president necessarily delegates most of his functions to trusted subordinates but he insists upon retaining direct contact with labor. Outside influences induced the union to adopt a policy of non-co-operation with capital and a large committee was appointed to wait upon the president and inform him that all negotiations were off. He listened patiently to their ultimatum and to their declamations, and then straightforwardly and unflinchingly stated the case of the company, taking them behind the scenes. It ended in their appointing a sub-committee to co-operate with the company in accomplishing certain ends of vital importance to their joint interests, ends not to be accomplished in any other way. It is doubtful if the cleverest subordinate could have secured that result. There would have been the uncertain factor of the man higher up. Equally the chief could not have succeeded without sympathy and honest co-operation.

It has been justly said that modern industrial problems are moral rather than material or intellectual. That means that their solution is to be found in personality rather than in mechanism or material inducements.

## CHAPTER XVI

### SOCIAL CONTROL OF INDUSTRY

"WE are all socialists nowadays," said a shrewd and thoughtful observer recently. Certainly not in the traditional meaning of the term, but in a larger sense, yes. We all believe in the socialization of industry and of all other human activities in the sense that they should be restrained, organized, and controlled for the good of society. For this purpose of restraint and control we must depend on the state, for that is what it was made for.

But it by no means follows that the state should manage industry or any other of the great social activities. For the state to do this would be to make them mere avocations or side issues of politics. They are much too important for that. Side issues are never strongly handled, for they are subordinate to other interests. We have tried state management enough to demonstrate that fact quite conclusively. The state has made very bad work of managing the church. In industry it has hardly been more successful. Says the retiring chairman of the United States Shipping Board: "I don't know a Government-owned plant that produces more than two thirds efficiency, and there are examples much below this line." The trouble is that no state industry is free to be merely an industry. It has to think of other things.

It is not my purpose to discuss these questions in all their bearings but rather to consider them in a single

aspect which is suggested by the present emergency. The war has fortunately served to emphasize certain tendencies which might otherwise have waited long for due recognition. In particular, it has emphasized the fact that the state as employer is not exempt from the laws that govern other employers, but that it lacks one of their safeguards.

In ordinary industrial relations the inexorable dependence between production and wages can never long be lost sight of. Labor, if unsympathetic and determined, may push its demands beyond the power of the employer to pay and continue in business, but if this is continued long, the business stops and the lesson is clear. Ordinarily a disclosure of the real situation will call a halt to extreme demands. The worker may be suspicious and difficult to convince, but he never quite forgets that the concern's resources are finite and that it can not pay more than it receives in return for the service he renders.

The worker may, to be sure, quite underestimate or deny the capitalist's claim to profit, unconscious that profits are the source of the industrial machine with which he works, but with the development of the great corporation with its many thousands of scattered stockholders, this, too, assumes the character of an inexorable. The worker knows that deficits and dwindling surpluses and reduced dividends will deter investors and that an embarrassed corporation is a poor one to squeeze.

The policy of organized labor to equalize wages within certain districts has its favorable reactions for both parties. The standard set may be and usually should be higher than certain employers can pay. This only means that they are subnormal and should be eliminated. Whether they meet or fail to meet the wage scale the result is their elimination. On the other hand, concerns

exceptionally favored by management or location find in it a legitimate protection. The wage scale can not be made higher than less favored concerns can bear and hence exceptional advantages are available as they should be to recruit the capital fund or expand the standard of living.

I am far from asserting that these adjustments work out perfectly or smoothly, but the pressure is constant toward them and we never get far away from them. If labor exacts too much, capital is handicapped, industries grow slowly or drift elsewhere, and labor pays the penalty. Similarly, if capital gets too much and labor is put on short rations, labor becomes inefficient, its best elements drift elsewhere looking for better opportunity, and capital is the loser. The important thing is that all realize that they are operating within a closed circle of economic cause and effect.

Now the fatal weakness of government ownership is that it is not confined within this closed circle. There is a gap in the fence. If the government owns the railroads, the worker draws a sigh of relief. The absolute standard of living now asserts itself with renewed confidence. The argument of the railroads that they can not pay the wage demanded now falls flat. It doesn't have to be paid out of income. If income will not pay it, increase the rates, and if that is impracticable or insufficient, let the government make up the difference. There are the taxes.

This is the gap in the fence. Private industry must pay its own way. Government industries need not pay their own way. The government can fall back on taxes. Of course the fallacy in all this is plain. Taxes are not an independent source of wealth. They are merely a charge



upon industries all pooled together. Every industry that does not pay its own way merely becomes a burden upon those that do. If there are many such non-paying industries, industry becomes non-paying as a whole, and then the game is up. In a perfectly healthy state there should be no non-paying industries. Whether they are owned by government or by individuals, all industries should pay their own way.

It is very easy to see this as a general proposition, but it is not at all easy to bear it in mind in individual cases. The thing is too big. As yet the overwhelming majority of our industries are privately owned and therefore compelled to be self-supporting. The losing industries are constantly and ruthlessly eliminated. As a result the aggregate profit is large. The burden of a few non-paying government industries is not seriously felt. The addition of our particular industry would make little difference. And it would put an end to that hateful reply to all our demands: "We can't afford it." The government can afford anything. Such is the fatally easy argument in each of its individual applications.

All this is the easier and the more dangerous because of the well-established tradition that government industries are not expected to pay. When a great railroad corporation or manufacturing concern shows a deficit everybody realizes that something is wrong. There is a call for investigation, for new management, perhaps even for prosecution of former directors. But when the post office shows a deficit, nobody thinks anything of it. Indeed, the public resents any effort to establish an equilibrium by reducing the number of mail deliveries or increasing postage rates. It is Uncle Sam's obligation to do business at a loss. The same attitude is already

observable toward the railway situation, where a stupendous deficit is piling up equal to the entire government expenditures of a few years ago. There is little worrying about it, and that little is due to the prospective return to private ownership. In government hands the loss does not trouble us. It is on Uncle Sam.

It is not in any spirit of reproach that I note this dangerous release of labor from the conscious limitations of economic forces. There is no conscious depredation in this prompt inclination of labor to take advantage of the situation, using the dread power of the ballot freely to that end. All labor wants is a "fair wage." But it must be apparent to any fair-minded worker that there is danger in determining that wage independently of economic limitations, and that the possibility of saddling the deficit on to the government is a temptation that men under the strong pressure of self-interest are not likely to resist.

There is a further peril in the situation which must not be overlooked. Private industry can not compete in the labor market with government industries on a subsidized basis. Private industries must make both ends meet. Wages can not exceed the limit thus set. But Uncle Sam can pay higher wages and pay the loss out of taxes. The fatal facility with which an artificial wage can be established in government industries under pressure of the organized labor vote, virtually insures a standard in government employ which the private employer can not meet. Nothing could do more to promote unrest than such a condition. The argument: "If the government can pay a decent wage, why can't you?" will never down, no matter how effectively answered. The fact that the government is losing money and taxing

the private employer to make up the loss rests on facts too remote and too general to deeply impress the worker whose desire for a "fair wage" is very near and important. If the disparity continues to exist as it must under any large-scale adoption of the dual system, it will mean discontent in private industries with pull and corruption in those conducted by the government, a profoundly unhealthy and wasteful condition.

I can not believe that intelligent workingmen are unable to see the waste and folly of such a system. They may and must insist constantly and firmly upon their share in the product of industry, but their interest is absolutely dependent upon keeping that product definitely in mind as the only possible source of their wage. The moment they get to drawing on that vague intermediate term of taxes, they are only clandestinely depleting their own source of income. They are holding their cup exultingly to catch part of the wasteful leakage from the reservoir that holds all their supply. It is to their interest above all others that the leak should be stopped and that the industries upon which their livelihood depends should one and all be put upon the basis of self-support.

It is but fair to note that the demand for government ownership has largely come from another source and been based on other considerations. The impelling motive has been co-ordination and control. The union of railways into a co-ordinated system, so obviously desirable in the interest of convenience and efficiency, is effected but slowly under private ownership and not always in a way to best serve the interests of the public. In states having a serious problem of national defense, this co-ordination and completion along strategic lines,—often quite uneconomic,—becomes the paramount consideration.

Hence the government ownership of railways in European countries essentially as a part of the system of national defense. Economic interests necessarily received attention and in certain cases state railways have been used for their artificial stimulation much as we have used the tariff. In a single case state-owned railways have been a pronounced economic success, namely in Germany. This case has received undue consideration from students. Its success was due largely to conditions not duplicated elsewhere, and least of all in America. Not only were the railways taken over at a fortunate time for the government, Germany being at the threshold of a huge industrial development due to her newly acquired mineral resources, but Germany had from start to finish a docility on the part of labor which quite protected the state from the dangers we have considered. The success of German state railways was much like the success of the man who holds on to his corner lot while the growth of the city makes it valuable. Such success means nothing for the principle of state management. And this success is unique among railroad owning states.

But these states have succeeded in doing the thing they set out to do, a thing which in their situation would not brook delay. They have co-ordinated and unified their railways and brought them under potential military control. This was their purpose rather than to make them pay better. In this sense they have succeeded.

The need of co-ordination, though quite as real in our own country, has not felt the urgency of the military situation. It has therefore been allowed to progress more slowly, has even been retarded, to keep pace with the slow development of control. For it must be remembered that control without ownership and with due regard

to those incentives and interests that give private industry its value, is a far more difficult thing than control through purchase and government management.

Slowly, however, it is beginning to dawn upon us that government can effect co-ordination and control without purchase and state management. Private management need not mean unrestricted management. Slowly at first, and more rapidly of late, private management has been put under restriction and coercion, not without some loss in its inner sources of strength, but with unquestionable advantage to the public welfare. Slowly and with occasional mistakes the state has been disentangling from the complicated web of corporate activities those elements that are of such vital concern as to require state control and leaving the rest to individual determination. The war required a sudden emergency assumption of complete control with illuminating revelation of the ineptitude of the state for these complicated functions. The experiment seems to have settled, at least for a long time to come, the controverted question of state management versus state control. Railroads, express, telegraph, and telephone are to return to private management with something of increased respect for the skill and enthusiasm which formerly made both ends meet, and with not a little relief on the part of government and taxpayers that the deficits of three hundred millions or more per year are no longer to burden the treasury.

But they will not go back as they came. Readjustments and consolidations long sought and jealously denied and others unsought are to be imposed upon competing systems in the interest of economy and efficient service. A new step and a long one will thus be taken in the formation of a true social organ of industrial service.



The lesson of it all is that the state is not society. It is but one of its organs, an organ which best serves its purpose when that purpose is limited and sharply defined. That purpose is primarily to provide security and maintain order. And since that purpose is the first of all social necessities, the state in some form is necessarily the first social organ to develop.

With the development of more social functions the tendency is at first to graft them on to the state. It stands there, the representative of society as a whole, in a sense that no other organization can be said to represent it. It is the most natural of errors to assume that any social interest is a state interest. Rapid and forced developments of social functions have usually tended to make an exaggerated use of the state.

But we are learning that religion, for instance, develops more wholesomely when it has its own organization independent of the state. Our Red Cross is much more efficient for not being a part of the army or of the state. There can be no possible doubt that the same will prove true of industry, not only in its lesser local forms, but even in those state-wide activities that we have seemed most tempted to assimilate to the state. What we want is not state railroads, but a railroad organ as comprehensive as the state itself, but self contained, self dependent, and self supporting, above all, separated by the most absolute of dividing walls from that fatal access to taxation which perverts all relations and ultimately plunges society into economic confusion.

Equally, all the other social functions should aim to develop their own specialized organ. Charity, philanthropy; professional activities, a multitude of social services whose number and scope is constantly increasing,



will find each a means of its own for serving society. The value of an organization specialized for its particular purpose is incomparably greater than that of one devised for other purposes, as witness the ineptitude of politicians in government industry.

And there is worse than ineptitude. When the former director of railroads was told of the favor of railroad employees as a result of his liberality, he is said to have replied with a wink: "And there are two millions of them and every one a voter." That man is prominently mentioned as a candidate for the presidency.

## CHAPTER XVII

### THE TARIFF

I WISH the tariff might subside somewhat as a political issue during the years immediately before us. As a paramount issue it has enlisted in my time the most dangerous forces of political life and has unduly subordinated other matters more suitable for political action and quite as vital to our welfare. With the immense increase in the number and importance of these other interests following the war it is to be hoped that the tariff will make somewhat less exclusive demands upon the attention of the nation.

Nevertheless the protective policy, whatever its normal application to our industries, has created a situation which will not bear ignoring. American industries are of tremendous strength, but they are not the creation of free economic forces and can not be left to their care. Because the tariff has been an issue it must continue to be an issue, and if subordinated to new issues, it must be with caution, not with indifference.

The tariff is conspicuously an economic question and for that reason has usually been debated wholly on that ground. Yet other than economic interests have been present in all these discussions and have often interposed their illogical veto to economic conclusions. Said a protectionist to a free trader: "Your argument is perfectly sound and conclusive, but your system simply won't work.

That is all there is to it." There is an important element of truth in this blunt rejection of reasoned conclusions.

The economic argument for protection is very feeble. Aside from temporary industrial inertia which it may help to overcome — often with doubtful after results — the net result of the protective policy is to induce nations to engage in unprofitable industries, the deficit being made up out of taxation. However profitable this may be to individuals, it is not a money making proposition for the nation as a whole.

This plain conclusion, however, is usually disguised by ignoring the general result and considering secondary reactions. The tariff raises wages, we are told, higher prices enabling the employer to pay higher wages. This is the popular argument of the "full dinner pail." High prices enable the employer to pay high wages, but they do not compel him to do so. What does compel him to do so in our own country is the abundance of free natural resources to which the laborer always has access, direct or indirect, and it is this in turn that enables the employer to pay them. We are a wonderfully rich country in our natural endowment, and this combined with the energy and intelligence of our people, is the reason — and the only reason — for high wages and high profits alike. And it is because both wages and profits are high that we can afford, if we wish, to carry on some industries that do not pay, subsidizing their manufacture from the profits of all by an artificial increase in their price. All this is simple, and the veriest novice in economics should see it.

But all the same, the other side has its case. If protection can not fill the dinner pail, free trade under certain conditions can empty it. It may be contended that if we had never adopted the policy of protection we should

have an equal or greater, if somewhat different, industrial development. But we did adopt it a century ago and have steadily adhered to and increased it since. Countless millions, even billions, of our capital have taken forms which are due to this policy and which would be invalidated by a change. A return to free trade would therefore necessitate an enormous liquidation and, if sudden and drastic, would involve a paralyzing interference with national industry resulting in unemployment, unrest, and possibly revolution.

This transition problem obscures all other issues to the ordinary voter. No promised advantages of free trade, even if assured, will induce people to endure a period of industrial prostration with the possibility of ruin for their individual enterprises. As one Congressman expressed it: "It is good sailing above Niagara Falls and it may be good sailing below, but it is mighty hard sailing in between." The comparison is not altogether inapt. So great, indeed, is the difficulty of transition that it may well be doubted whether the theoretical advantages of free trade, even if assured, would compensate for the capital loss and the industrial demoralization that would result from the transition. The case is a little like that of a great steel plant which was theoretically invalidated just as it was completed by the invention of a better system. It was clearly the embodiment of a wrong principle, the rival method being demonstrably superior. But computation showed that reconstruction would cost more than the superior process would save during the lifetime of the plant. So possibly with our industrial plant built around protection. Free trade would permit of a more economical use of capital if capital were fluid, but having sunk countless millions in

protected investments, it may not pay, now or ever, to make a violent conversion to the free trade basis.

The dinner pail carrier therefore may be all wrong in thinking that protection originally filled his pail, and yet be right in the conclusion that only protection can be depended upon, now or henceforth, to fill it.

But there are other and more fundamental arguments which the carrier of the dinner pail hardly reasons out, but for which he perhaps has a not untrustworthy power of divination. Some of these arguments the war has brought into bold relief. The inevitable result of free trade is specialization. This will be based in the first instance perhaps on natural resources. Iron and coal will induce industrial development and their absence will prevent it. Other natural factors will exert their influence in varying degree.

Specialization thus started tends to accentuate and perpetuate itself by conditions that it itself creates. A certain kind of population grows up which invites other industries in its line. A certain kind of skill becomes characteristic of a given place and is more easily transmitted from father to son than developed elsewhere. Traditions grow up which have a determining influence, and these in turn may be protected and perhaps monopolized by organization, trade secrets, etc. The virtual monopoly which Amsterdam has enjoyed in diamond cutting is doubtless due to these secondary or derived conditions. Diamonds are not found in Holland nor would it be more difficult to transport them to one city than to another. But the business perpetuates itself there with great tenacity.

There is every reason to believe that this specialization pays. It pays a nation to develop industries adapted to

its resources as it pays a farmer to raise crops that are adapted to his farm. And it pays people to develop a certain kind of skill and a tradition appropriate to it just as it pays the individual to learn to do one thing better than all others.

But the inevitable result is dependence. The producer of one thing can not live on that one thing. He must get many others by exchange. So with specialized nations. They become absolutely dependent on exchange with other nations. Economically this is not to be regretted, it is rather to be welcomed, provided the exchange can be assured. But interruption of international exchange becomes very embarrassing to a specialized nation, and in certain cases it becomes fatal.

We are very much better off than any other great nation because of the great extent of our territory, the wide range of our climate, and the variety of our natural resources. We produce every important vegetable product except rubber and every important metal except tin — although some essential ones are as yet produced in insufficient quantities. No blockade could cripple us or long embarrass us. And yet the sudden interruption of world commerce by the war revealed a multitude of dependences of which we were unconscious. The case of dyestuffs is best known. Germany had long monopolized this manufacture, not by virtue of natural advantages, but of set purpose. We did not realize till then that the manufacture of dyestuffs and of high explosives were closely akin and interchangeable. But there were numberless other cases. Our army required an immense number of binoculars, but optical glass was all made in Germany. I sought cover glasses for lantern slides and was told that they were a specialty of Belgium. The number of



these specialties, some natural but most artificial, was enormous.

The dependence of countries of narrower climatic range is far more serious. The mere fact that not a single great competitor of the United States raises any cotton except in overseas dependencies with which communication can not always be maintained, is in itself a handicap sufficient to cripple them fatally in the event of isolation. The experience of Germany in the recent war is eloquent testimony to the power of cotton in the international struggle.

But the fatal dependence is that for food. Industrial specialization invariably develops a congested population. If a country is predominantly industrial like England, Belgium, or Germany, its population inevitably exceeds its ability to raise food. It must therefore exchange manufactures for food. Ordinarily its dependence goes farther and includes raw materials as well. Thus England imports cotton, converts it into cotton goods, exports these and buys food which is imported to feed the population. Such a country becomes little more than a repository of labor and its dependence becomes abject.

All this is good business, as we have seen, if it can be kept up. It pays England better to sell manufactures and buy food than to raise the food, even had she land enough to do so. So with Belgium, Germany, and especially the United States. But it is a risky and incautious policy if there is danger of isolation.

The judicious stimulation of important industries by subsidy, that is, by protective tariff, becomes, therefore, a factor in the problem of national defense. As such, its program will be laid out along very different lines from that which we have traditionally followed. It will

not be a question whether the proposed industry is one that can be made economically self supporting but whether it is one that can not be spared in an emergency. It is needless to say that dyestuffs with their equivalent high explosives and optical glass, the eyes of army and navy, ought not again to become the monopoly of a foreign power, least of all of the power that is most likely to become our enemy. The list of necessities that the general staff would put upon the protected list is doubtless a long one. It is entitled to consideration.

But there are other than emergency dangers in specialization. It affects social organization very seriously, sometimes disastrously. I happen to be writing at the moment in one of the great wheat raising States of the union. Experience demonstrates that wheat is best raised here on large ranches of several thousand acres, of course with the largest use of labor saving machinery. Most of the labor is required at special seasons and briefly. It is therefore migratory. Laborers start in the Gulf States and work north with the season, finishing up in Canada. The resident population is insignificant except in the towns. This is a way to make money but not to make a society. These migratory laborers found no schools, buy no homes, form no local traditions, and create no civilization. Without local attachments they develop little of the morality that goes along with fixed relations to other men. The problem is a serious one and one for which there is as yet no solution. The tendency is more and more to succumb to its difficulties, denuding the country of its fixed population and leaving it to the rover, while the owner and his family take refuge in the towns.

The specialization of industrial districts is less

desolating but often not less unfortunate in its social reactions. Districts dominated by a single industry like mining or weaving bring together a population of a rather uniform and sometimes low-grade type which intrenches itself behind its numbers and becomes exceedingly irresponsible to social influences. There is something extremely refractory about a uniform low-grade population continually recruited and winnowed by a dominating industry. The anti-social character of such a population is especially pronounced when it becomes a center of attraction to immigrant aliens of a certain region or character. Such districts become almost impregnable strongholds of anti-social influence.

The moral of it all is that for nations as for individuals it doesn't always pay merely to make money. Or if we must put it on an economic basis, we may say that concessions to humanity and social welfare are the way to make most money in the long run.

Subsidy or protective tariff may therefore legitimately be used to vary occupations and create favorable social conditions in the national life. Such a use will require a wisdom and an integrity that are rare in our national affairs. For the most part we can hardly expect this to be the conscious object of the protective policy. We must look for it rather as an incident of the policy adopted for economic ends, often quite mistakenly. More exactly, we may perhaps urge these considerations in defense of the existing condition. Our industries have been built up with little science and they are full of adventitious features. Criticism is easy and much of it just. But meanwhile we have filled the land with mighty engineering that refuses modification except at disastrous cost. We have diversified our industries, not ideally, but in a way

that nature would not have done, and we have made and are still making ourselves strong against the dangers of war-time isolation.

It is well to recall, however, that of all countries ours has least occasion to demand these special safeguards. Diversification is inevitable in such a country, and dangers which are national elsewhere are but local with us. The protectionist may well be moderate in his demands.

On the other hand, the free trader may well contain himself with patience. No nation can become an exporter as our growing industries require, still less a receiver of tribute as our immense foreign investments make certain, without being more hospitable to foreign wares than we have been hitherto. The stars in their courses fight against the policy of exclusion that we have maintained so long. Let us let them do the fighting. A commission of experts may well be trusted to ease the transition which is so plainly inevitable.

It has been repeatedly pointed out that the new relations resulting from the war profoundly modify our tariff situation. There is little evidence, however, that we have yet comprehended the change. The talk is still mostly of erecting new tariff barriers against dumping, against German dyestuffs, and the like. Our one thought seems to be to keep out the products of European industry more effectually than before. The plain fact, however, which overshadows all other facts is that we must take a thousand million dollars worth more of European goods per year than before the war. We used to pay Europe half a billion annually in interest. Now Europe is to pay us half a billion. That makes an extra billion coming our way.

The vaguest notions prevail as to this payment.

Considered as national income and in terms of dollars, we view it with complacency. We think of it as so much additional spending money which we can spend as we choose, and for American goods if we prefer them. But it is a truism that international trade balances are paid in goods. Money is out of the question. No doubt we shall obscure this relation for a while by foreign investments. That is, we shall leave our interest over there. But this only means more interest for Europe to pay eventually and more goods for us to receive.

Our enormous increase of export industries means further importation of commodities. Unless we want to give our goods away we must take goods for them for the simple reason that there is nothing else to take. All together a more hospitable attitude on our part toward foreign products seems inevitable.

## CHAPTER XVIII

### SHIPS

THERE is one industry in which we are profoundly concerned which by virtue of its peculiar situation and peculiar treatment has had a history very unlike that which it has had in other countries. This is the industry of maritime transportation. There can be no question of the importance of this industry to the United States. We are situated between the two largest oceans of the world and our contact with nearly all the nations of the world can only be by sea. This is true not only of the Eastern Hemisphere where seven eighths of the population of the world is still located, but it is equally true of South America despite its attenuated land connection, and even of Mexico, less separated from our centers of industry and population by the sea than by the forbidding barren lands between. Only Canada can be said to be adequately accessible by land.

With the acquisition of overseas dependencies, sea communication becomes more obviously if not more vitally important. Even the continental possession of Alaska is and long must be accessible only by sea. The Philippines and Samoa are remote island possessions and the island outpost of Hawaii, of incalculable strategic importance, obviously emphasizes the same dependence.

Curiously enough, the early period of American history, before and briefly following our national independence,



was the period of maritime interest and achievement. This was a period when we had no overseas possessions, no foothold in the Caribbean, no Panama Canal, no frontage on the Pacific, no frontage at first even on the Gulf. By the time these things had been acquired and our maritime opportunity thus immeasurably increased, we had almost ceased to be a maritime nation. This seeming contradiction, however, is easily explained. As a thin settlement along the Atlantic coast with an inhospitable wilderness behind, our dependence upon Europe, both material and sentimental, was immeasurably greater than after we had spread into the interior of the continent and across to the western ocean. As our country began to fill up, an ever-increasing proportion of our people had no knowledge of the sea and no imagination for it.

But the all important fact was the higher bid made by our home resources. The exploitation of our mines, our forests, and our fields yielded profits which the sea could not match and created a standard of wages and of profit which the sea could not pay. The peopling of our country, the development of our resources, and the building of our railroads proved a Herculean and absorbing task, and maritime enterprise, appealing to an ever dwindling minority of our population, found itself unable to compete.

Other influences came with changes in ship construction. In the days of wooden ships, our virgin forests gave us an immense advantage over older countries, but as wood was replaced by steel we were at a disadvantage. Nature, to be sure, had favored us here quite as much as in the matter of forests, but we were slow to find it out, and when at last we got our pace in steel production the

general high scale of wages and profits made competition with European construction impossible.

This brings us to the all important fact which at every stage has dominated the situation. The sea is a "no-man's-land" between the nations. It belongs neither to us nor to those on the other side, or rather it belongs to both on equal terms. It is therefore the one real ground of international competition. The land itself can never be so. Even if the freest access is permitted, there are numerous subtle factors which favor the subjects of the local allegiance. Usually the law is frankly partisan in their interest, as with us. If the law is not, the people are. But on the sea no such favors are possible. To be sure, the ports are as important as the sea and they are under national control. But while most nations favor their own nationals in home ports, discrimination as between other nations is rare and risky. In maritime commerce the nations necessarily meet on even terms.

As the new era of steam navigation came on, therefore, our merchant marine with astonishing suddenness disappeared from the ocean. Our coastwise traffic was saved by laws which made it a national monopoly. Only vessels flying the American flag were allowed to convey goods or passengers from one American port to another. As the law further withheld the American flag from ships not built in American yards, a very considerable part of our shipbuilding and our maritime commerce was thus forcibly retained.

But as between our own and foreign ports no such monopoly was possible. To have forbidden foreign ships to do business in our ports would not only have greatly restricted our trade but would have insured reprisals in kind and possibly war. Even the monopoly of

trade between American ports had ultimately to be relaxed in the case of the Philippines, the circumstances of whose acquisition and the location and nature of whose commerce made American monopoly impossible. With the relaxation of the rule in this case the foreign lines at once acquired the major part and ultimately the whole of this commerce.

All this is easily understood. Shipping was not a paying business as compared with the jobs we could offer at home. But the question naturally arises, why, when we were protecting or subsidizing so many non-paying industries, did we not include this with the rest? That we did not do so is the more surprising in view of the fact that those nations that did not subsidize other industries, did subsidize this, thus exactly reversing our entire industrial policy.

The complexity of the problem had something to do with it. The industry was twofold, shipbuilding and ship operating. Both required protection if they were to be maintained under American conditions. The first we did protect, and that to an extent accorded to no other industry. Other products could be imported only on payment of a specified tax. Ships could not be imported at all, for that is what refusal of American registry to foreign built ships means. In that way, and only in that way, we saved to American shipyards the important coastal shipping construction, though of course only by increasing its cost and limiting its use.

But the operating of the ships, which required American officers and at least in part American crews again required heavy subsidizing. This we have never been willing to give. The amount required was not heavier than that freely accorded to other industries, but repeated

efforts in recent years to secure such aid have met with little response. A few subsidized mail ships have kept the American flag afloat just enough to impress us by its rarity.

Why this exception to our national policy? The answer is simple. Other industries were interested in protection and compassed land and sea to secure it. The shipping industry was not. When American capital was ready to invest in shipping, as it has been of late years in increasing amounts, it was perfectly content to put its ships under the British flag which secured every advantage that American registry would have secured and some beside. Ship owners were not spending their time, therefore, besieging Congress to enable them to fly the American flag. The shipbuilders did do so to some extent, for they realized that if an American merchant marine could be built up, restricted like the coastal trade to American built ships, it would immensely increase their business. But they had to be very circumspect. The moment they urged the advantages of an American merchant marine, somebody was sure to propose the admission of foreign built ships to American registry as the easiest way to get it. This of course meant ruin to our shipbuilders and they kept still.

In other words, when manufacturers have been interested in protection, they have urged, organized, and agitated until they have secured it. When only the nation has been interested, they have not secured it.

This brings us to the deepest and most fundamental reason of all. The American imagination has not gone out to sea. We have been busy for a century with a land job. The filling of our immense territory with population and industries has turned our attention inward and

we have stood with our backs to the sea. With our isolation and no consciousness of danger from without, we were well content that those who gave us ocean transportation at Old-World rates should have the job. What was the use of putting our capital into five per cent investments when ten per cent investments were waiting for it? I can remember when that seemed to me as to most Americans a conclusive argument.

In the years immediately preceding the war, however, a distinct restiveness was noticeable. As we became conscious of immense American investments in ocean transportation, we were uneasy at the thought of foreign control. Some appreciation that national interests were involved also began to develop. Curious feelers were put out looking to American control. Congress authorized the admission of two foreign built ships to American registry on condition that two more were built in American yards. An American owned foreign company accepted the proposition, built the two ships at heavy extra cost, ran the four for some years under the American flag, and then transferred them all to foreign registry because of the increased cost of operation under the requirements of American law.

It is not strange that when the present Administration opened American registry to foreign built ships, no considerable transfer took place. Not until the world war left us for a time the only considerable neutral nation did a certain number of foreign built ships see in political conditions an offset for the economic disadvantages of American registry.

A drastic proposal made at this time that we develop an American merchant marine as a government industry, the government building and owning the ships and either



operating or leasing them was, however, quite too radical a departure from American traditional policy. Though strongly advocated by the President, it was impossible to secure the assent of Congress, nor can there be any doubt that Congress represented the sentiment of the country. The later course of events would have made this policy an advantageous one, but neither the proponents nor the objectors anticipated this course of events.

The German submarine warfare and our own consequent entry into the war produced a situation which necessarily banished all controversy. Ships were a condition of victory and even of existence, and the energies of the nation were turned to construction without regard to cost or later policy of control. We were just beginning to get our pace and ships were daily slipping from the ways when the war ended, leaving us again with the problem of our merchant marine.

The new era into which we are entering, however, presents that problem under totally changed conditions. First of all, the war has roused us to the vital relation of ships to the national defense. We had always thought of possible war with European nations as a naval war with military operations confined to the defense of our own coasts. We had not been unmindful of the importance of a navy and our preparations in this respect were not inconsiderable. But that ordinary non-fighting ships would play a far more important rôle we had never imagined. When the allies began the war they are said to have commandeered over three thousand merchant ships flying their flags for transport service. But when we, situated much farther from the scene of action, had to transport two million men with munitions and supplies across the Atlantic, our utmost drafts upon



our coastal marine scarce made a beginning. We had to beg transport from our allies. Imagination pales at the thought of what we would have done if our war had been in the Pacific and the only available ship owner perhaps our enemy. Only just before the war we had practically relinquished the last of our trans-Pacific lines to Japan by the enactment of a law increasing the requirements for operation under the American flag. What would have happened if England and France had, just before the war, disposed of their merchant ships to Germany by increasing the expense of their operation hopelessly above the German standard? The appreciation of this need of merchant ships in war is a revolutionary change in the American attitude resulting from the war.

There is another sense in which a merchant marine is necessary to national defense. It is indispensable to the efficient maintenance of a navy. The one can not be feasibly developed out of proportion to the other. We can build battleships without a merchant marine, but we can not man them satisfactorily or adequately without a large sea-faring population thoroughly reconciled to the conditions of sea life, on which to draw for the necessary personnel. This is the advantage of Britain, that with her immense navy she still has little difficulty in manning her ships because so large a portion of her population is accustomed to the sea and not unwilling to accept the conditions of sea service. With a population nearly three times as large and a navy very much less, we have frequently found it impossible to secure the necessary complement of men. The land lubber doesn't like to go to sea, nor does he quickly develop the required efficiency. This dependence of national defense upon a merchant marine is the most obvious lesson of the war and

there can be no doubt that the lesson has been learned and that under some arrangement or other America will develop such a marine and will willingly pay the price.

Meanwhile other results of the war furnish additional incentives. Among these is the enormous increase in our national wealth and the necessary investment of large sums overseas. Theoretically, of course, this offers no new argument for ships under the American flag, but practically it will operate powerfully in that direction. The development of our own manufactures, too, to a point which necessitates foreign markets is a powerful additional argument. We can not afford to leave the carrying of our wares to ships in league with our competitors. They have too many ways of diverting trade to their kinsmen.

But the all important fact, at least for the immediate future, is the enormous destruction of shipping and the consequent exorbitant prices paid for transportation. For the time being ships can make money operating under any flag. So while profits are undoubtedly greater under other flags, they are sufficient to tempt investment even under our own. This condition can hardly continue, but it is most fortunate that it is present to ease the transition from the older to the newer national policy.

What shall be the relation of the government to the new merchant marine which it is plainly our purpose to create and maintain? At present the ships are owned and operated by government agency. This was a war necessity. It is a policy that conceivably might become permanent. Not long ago this policy was strongly urged, President Wilson being its chief advocate. Today its

advocates are few. The experiences of the war have been overwhelming against any such extension of the industrial activities of government. These experiences have perhaps been more convincing than they should be. Unpopular leadership and the enormous wastefulness of war time have unduly influenced the popular mind. But whether legitimately reached or not, there can be no doubt of the reasonableness of the decision. Government operation would lack the vital incentive of private profit. It would have taxes to fall back on. The deficit would be the more easily accepted because all realize in advance that there must be a deficit. This being the case, few will notice the significance of an extra cipher at the end. The waste of the war has been worth while if it has saved us from this ruinous policy of public operation of ships, railways, and other public services.

It has been suggested that the ships be leased, the government as owner to pay the crew, provide living conditions, etc., while the lessee pays for the coal only. Trade routes with regular services could thus be let out to the best bidder, the government meanwhile establishing such conditions of service as it chose and paying the bill. This is a familiar method of chartering ships. Its only weakness is that already considered in connection with railroads, the danger that organized labor lose sight of all economic limitations and crowd remorselessly into the domain of taxes.

An older proposal and a method sanctioned by the usage of all maritime nations, is private ownership and operation with subsidy from the government. This is the proposal so often rejected by our Congress in recent years. It has the objections that hold against all subsidies, the danger of exploiting the government. In

earlier times the danger from predatory capital was perhaps greater than from predatory labor. Today, with the organization of labor and the growing consciousness of labor's political power it is doubtful if this is true. In any case, the system has the merit of giving to the owners full responsibility for the maintenance of the property and full interest in profits. It therefore secures what government can never secure in equal measure, the benefit of private initiative.

The subsidy, too, has the merit of being confessedly such and so exposed to jealous scrutiny. The public is not too sympathetic toward subsidies to capital, and any attempt unduly to increase such a subsidy would meet with prompt opposition. It is doubtful if an excessive subsidy to labor in the form of wages or living conditions would find the public thus vigilant.

There can be little doubt that this system in some form will be adopted. A subsidy of some kind is conceded to be necessary if we are to tempt our people to develop that great merchant marine that is needed for our national defense and for our overseas trade, and this we have plainly determined to do. It is not merely that we have made a broader calculus of advantage and are willing to pay the price. The national imagination has been fired by the most stupendous of our national experiences. We have heard the explosion in Europe and we have faced about and are looking across the sea. We are quickened by the vision of new and illimitable possibilities. Our world supremacy means world interests, world duties, and world enthusiasms. Our insular experience and policy are at an end. Cost what it may, we are going to know this world which is a suppliant for our protection and our favor. We are going to sail under our own flag and

not be pensioners upon another seafaring folk. Nothing will react more powerfully upon the character of our people than this outward gaze, this decision to meet the nations at their own thresholds.

It may be well to note that as in the case of the tariff there are many things that tend to ease the transition. If we had decided ten years ago to develop a great merchant marine, the task would have taxed us to the utmost. The immense start of Britain and Germany and their lower standard of wages would have required very heavy subsidies on our part. Today the German merchant marine has vanished and that of Britain has been sorely diminished. High freight rates, as we have seen, for the moment make subsidies almost unnecessary. But even with the replenishing of Europe's merchant marine, the old conditions are not likely to return. Capital has become scarce in Europe while becoming abundant here, thus tending to equalize profit demands. European wages will not return to former levels, even though migration be the alternative. Europe has a future, but as lord of industry and finance Europe has had her day.

## CHAPTER XIX

### THE MELTING POT

WE are the melting pot of the nations. In this complacent truism we vaguely see the assertion of our own higher destiny. A happy metaphor leads us to assume an effortless and automatic process by which the raw material of humanity and the scrap of worn-out nations are fused into the perfect and homogeneous substance of our highest people.

The prosaic truth underlying this assumption is that our population has been very largely recruited by immigration, and that, owing to the early ascendancy of the English language and British institutions, these have largely survived the introduction of alien and modifying influences. But the war has emphasized what many experiences had previously revealed, that the fusion which our metaphor presupposes is far from accomplished. For the first time perhaps in our history we are in a position profitably to inquire as to the influence of immigration upon our political and social institutions as well as upon our economic development.

The policy of free immigration was inevitable in colonial and early national times. Despite the predominantly British character of the early settlements, the Dutch, Swedes, French, and Spaniards got a foothold here and the alien who sought asylum on our shores, if denied it in one place, would have found it in another. Certain colonies, as we know, were decidedly particular as to who



settled in their midst, but to drive the undesirable beyond their own narrow borders into a neighboring settlement or into the unclaimed wilderness seemed to them adequate protection. It was, in any case, all that they were able to accomplish.

But the great influence making for a policy of freedom was the need of population. The utter disparity between nature and man in that great struggle for mastery which is the necessity of our nature called loudly for recruits. Adam Smith, writing at the close of colonial days, says that a widow with a family of children is a party much sought in marriage in the colonies on account of the prospect of early assistance which the growing children can render. In a situation where the usual social standards are so completely reversed, it may well be imagined that the spirit of exclusiveness, however motived, would soon yield to the overwhelming pressure of economic need.

Another force favoring free immigration in the earlier period was the political philosophy of the time. It was a time when the idea of human equality had a vogue that we can now hardly understand. The statement that all men are born free and equal was not then a pious declamation nor yet the statement of a juristic principle, but the statement of a belief literally held by thinkers. Once more to quote the famous Adam Smith, he tells us soberly and with all deliberation that if infants were taken at birth and placed under identical conditions, they would probably develop identical powers. Nobody believes that now. The researches of scientists in the last century have established beyond controversy that *inequality* is the basic fact in nature, the fact without which nature's method of progress would be impossible. But men did not see that then. The widespread revolt against

artificial inequality during the eighteenth century easily led to the assumption that all inequalities are artificial and that all men are by nature equal.

This belief had a profound influence upon our early policy. Of course it did not make us considerate toward the Indians or toward negro slaves. Men have always reserved the right to be inconsistent in matters that immediately concern their action. But it affected our political generalizations profoundly, gave us slogans and rallying cries, and had a determining influence upon our national policy. By the close of our War of Independence religious exclusiveness had largely disappeared, we had persuaded ourselves that ours was a peculiar destiny, that in contrast with the hierarchical organizations of effete Europe we had found in equality the talisman of political organization, and that we were the champions of the oppressed of all lands. Aside from Indians and negroes whom we instinctively classed as sub-human, there can be little doubt that the opinion prevailed among us that all men were suitable for our higher political purposes. When Thomas Jefferson urged the acquisition of Cuba, he unhesitatingly assumed its admission as a state, not doubting its suitability. How could such a man see in immigration a menace to our institutions? There can be little doubt that if the problem of Mongolian immigration had presented itself a century earlier, the fathers of the Republic would have seen no reason for restricting it. The Mongolian wave would have met the Caucasian in the valley of the Mississippi with results interesting to contemplate.

It is only fair to recognize, too, that such misgivings as we may have with regard to immigration, they had little occasion to feel. Adam Smith's sweeping generalization

with regard to human equality is baseless, but a substantial equality did exist among the nations that then contributed to our population. The early immigrants were almost exclusively from the northern European nations, close allies in blood and at that time differing little in political capacity or training. The British Isles were overwhelmingly in the lead and England in the lead among these. Adam Smith's equality did not exist, but resemblances were much more marked than contrasts and the latter were not disturbing. At a time when man power was the crying need and the man power offered was little open to criticism, the policy of free immigration was obviously reasonable.

It is a commonplace of knowledge that these conditions have changed. The center of migration has rolled steadily southward and eastward, bringing its recruits from peoples more and more remote from us geographically and in every other sense. The potato famine shifted the British center from England to Ireland. The revolutions of 1848 carried it to the Continent and the huge German movement began with the politically restless elements of that half-formed land. Then it passed to Italy, to Austria with its heterogeneous population, to Poland and Russia and the Jews within their pale, to Syria and the Balkans. In twenty years' acquaintance with Greece I have personally witnessed almost a depopulation of that country with the loss, as usual, of its young men. The same in Sicily where whole villages and districts have been left to old men, women, and children with scarce a single able-bodied worker, so powerful has been the lure of the great land of opportunity. Many years ago a commissioner of immigration astonished us by the statement that the center of emigration,—the

point from the east of which and west of which, from south and from north of which, came an equal number of immigrants was Constantinople. Such has been the recruiting ground of America for the last twenty years.

It is no aspersion upon any of these peoples to note that the problem of assimilation which they present is a very different one from that presented by immigration from the British Isles. Even the first move of immigration complicated the situation. Ireland represented,—and that in a rather tenacious form,—a religion with a minority following among us. Our declared policy of non-intervention in religious affairs was one which that religion has not always found it easy to reciprocate. The assumption of education as a function of the state was one that a religion so organized could not but resist. Hence the importance of the parish schools with inevitable resulting suspicions and divisive tendencies.

Nearly every subsequent move of the migration center has added to this inevitable but complicating development. The move to the Continent added the enormous complication of difference of language. In the earlier day when migration from the continent had been sporadic and individual, this embarrassment was trivial and felt mostly by the individual. Under such circumstances the incentive to learn the dominant language was at its maximum. Assimilation was rapid and relatively complete. But in the second half of the nineteenth century immigration from Germany became a mass movement. After 1870 it was motivated largely by hatred of the new militarism of Bismarck and the Empire. As this was essentially Prussian and the new Empire was dominated by Prussia whom the lesser German states feared and hated, and as these lesser states shared but little in the industrial

development which was almost wholly Prussian, emigration was naturally heaviest from these lesser states. These states are predominantly Catholic, as contrasted with Prussia which is Protestant. German immigration therefore brought not merely the Catholic faith which was freely admitted, but the parochial school, and that in a far more serious form, for now instruction was given in a foreign tongue and assimilation was not only retarded but systematically resisted. The religious service, also held in German in the churches, further stiffened this resistance.

I write without a particle of religious prejudice. I am neither a German Protestant nor a German Catholic, and from what I have seen of both in Germany I am not sure which appeals to me most. But we are considering immigration and its effect on our institutions. I am sure that the most sensitive adherent of either faith will recognize that the German Protestant who came to this country usually sent his children to the public schools where they were educated in English and their complete assimilation was speedily assured. The German Catholic, on the other hand, was inclined to send his children to the parochial schools where they received their instruction in the German tongue, thus retarding assimilation. Whatever the value of the education thus given and the relative responsibility for it, its effect on the melting pot is obvious.

These influences and the natural tendency of immigrants to settle in districts in which their language was already represented have created conditions excessively unfavorable to assimilation. I have myself lived on a street several miles long on which every other family but one was said to be German. The city was almost



as German as that street. With German churches and German schools and German the language of neighborhood intercourse, the alien character of this population tended to perpetuate itself and even to become dominant. The story is told of a Bohemian woman who came to this country with the laudable desire to learn the language of the country as soon as possible. She settled in a large American city and studied German for two years before she found out that it was not the language of the country. There are a considerable number of American cities where that might happen.

Under these circumstances the psychology of the immigrant undergoes a radical change. When of old he came as an individual to a country known to have a language and culture different from his own, he came with the definite purpose of adapting himself as soon as possible. His language and customs were thought of as limitations. Unconsciously his attitude toward them was apologetic. It was his achievements with the new language and culture of which he was proud. But now that he finds himself part of a large community of his kind, a community commanding respect as regards numbers, wealth, and institutions, perhaps even dominant, he feels the demand of a new loyalty to them. Their language and culture are no longer impediments, but a heritage to be cherished. I have seen the politics of an American state turned upside down by an attempt to require English as the language of instruction in the parochial schools with supervision to insure enforcement. The invasion of this culture domain of American Germanism was resented as would be the territorial invasion of the Fatherland.

How extensive these counter influences to assimilation



may become is suggested by the well known hope of German propagandists to win America by means of them to the cause of German world domination. It was hoped that these centers of German culture and speech would not only persist, but that they would enlarge and multiply, that organization and intercourse might give them the consciousness of mutual backing, and that by constant aid from the homeland and wise efforts through the public schools it might be possible to get, first, a German Wisconsin with recognition of a distinct language area as in Quebec, and then through extension and consolidation with other districts, a German America which might at last add the whole country to the culture domain of Germany. Such a scheme seems preposterous, but perhaps more because of our ignorance than of our just confidence. It is significant that it was even entertained. Immense efforts were made in its behalf both by Germany and by Germans in America and the end is not yet. Germany will not win the United States, but the presence in our midst of highly organized and obstinately resistant centers of German civilization is not a matter of indifference. It may yet bear bitter fruit.

The Germans perhaps best illustrate the dangers of massing, of alien influence, and of reversed sympathies. As we go farther, however, following the moving center of emigration new factors appear that are even more disquieting. Whether the Mediterranean races have a different temperament from the North Europeans or are merely the product of less favoring conditions matters little. Certainly they are less sure in their grasp of our political principles and more given to subversive views. Possibly long-continued subjection to American influences may show them as stable in their Americanism as others,

but there can be little doubt that the longer influence will be required which means again retarded assimilation. It means, too, a rather virulent disturbing element in the meantime which is felt far beyond the limits of their own race element.

All this is greatly aggravated by social barriers which culture seems to necessitate. The ease with which Scandinavians and Germans intermarry and enter into full social relations with full-fledged Americans is proverbial. It is nothing like so common or so easy with Italians, Greeks, Serbians, Bulgarians, and the like. With Syrians, Russian Jews, and the Eastern peoples generally, these social unions are all but impossible. Whether this be due to the instinct which hesitates to cross the gulf between widely divergent races, or merely the effect of pronounced difference of culture and life habit we need not determine. It is a constantly acting force which tends to preserve alien character and sympathies and prevent assimilation.

Perhaps the most serious problem of all is found in the attitude of immigrants long embittered by misgovernment and race oppression. With a maximum of resentment and a minimum of discrimination, a sweeping denunciation of all government and all order-preserving forces as identified with tyranny and oppression, is too often the concomitant of immigration from these unhappy lands. Against these propagandists of revolution all safeguards are comparatively unavailing. We are sometimes admonished to remove the causes of their bitterness instead of relying on punishment and deportation. This is wise in principle but unfortunately those causes are largely beyond our control. They are the product of past rather than present, of foreign rather

than American, conditions. The hostility which they manifest for our institutions is not due to anything in those institutions themselves, but to experience or tradition of institutions over which we have no control. Decidedly it behooves us to see that they have no just cause of grievance, but even so we shall not reconcile to American institutions persons born and bred under governments that have alienated them and left them hate as an obsession.

## CHAPTER XX

### RESTRICTION OF IMMIGRATION

IT is evident from the foregoing that immigration under the changed conditions of recent years has become a grave problem. This has been felt increasingly for some time and numerous proposals have been made for dealing with the problem, but it was necessary to wait for the war to arouse us to the danger. As a matter of fact we were exceedingly fortunate that the war found us no worse off. One dreads to contemplate what might have been the result if the flood tide of immigration from Germany had continued as in the seventies and eighties. In fact, German immigration had virtually ceased for a couple of decades prior to the war with the result that Americanizing influences had had a long chance at the Germans within our borders. That they gave our secret service and department of justice as much trouble as they did is eloquent testimony to the power of the forces of resistance that have been organized in recent years.

Propaganda in favor of a foreign nation, however, is not the thing that we have most to fear. The fiasco of the recent ambitious attempt will probably long protect us against its repetition. But the danger from the anti-social propaganda of revolutionaries is a real one and one that no number of failures seems to remove. There can be little doubt that this danger will be greatly increased by the disasters of the war. With the great majority of men, loyalty to society is a matter of habit

rather than of reason. The upheaval of recent years has upset these habits for half the world, vagaries of every kind run riot, and bitterness and revolt, born of misery, have been engendered on an unprecedented scale. Finally the poverty and industrial disorganization of Europe will be an incentive to migration in the immediate future such as the world has never known. If neither our own country nor the countries of the Old World place any obstacle in the way of migration we may well be overwhelmed.

It can not be too strongly insisted that we have come to the parting of the ways on this subject. Hitherto we have drifted, safely at first, inevitably throughout, but with a growing consciousness, toward the last, that we were drifting into dangerous waters. The sudden tempest of war makes it clear that further drifting may land us on the rocks. A positive and potent direction of affairs is indispensable if we are not to surrender the destiny of our people and our civilization to blind fate.

We are fortunate in that the war with its disturbing admonition has brought us something of temporary relief. For five years immigration has been virtually suspended. With the return of peace, the shortage of shipping and the demands of returning soldiers still continue the embargo. We are having an experiment in restriction and a chance to catch our breath. It is an excellent time to study and to inaugurate a new policy.

There are but two possible remedies for the evils of immigration,—restriction and assimilation. We must keep the dangerous stranger out or we must make him less dangerous.

Restriction is obviously the more tangible remedy. It is possibly a little deceptive on account of its very

tangibility. We are apt to think our task accomplished when we have refused admittance to the alien. Certain purposes, indeed, can be accomplished in that way. The alien who is refused admittance can not compete with our higher paid labor or acquire citizenship and vote at our elections. The first of these objects appeals very strongly to a large class, the class from which has come thus far most of the opposition to immigration. It would perhaps do this class an injustice to say that they are indifferent to the alien ideals and subversive doctrines that these aliens bring, but at least these are not their chief concern. What they dread is labor competition, and the remedy for this is obviously physical exclusion.

But for other interests this remedy is clearly less adequate. So long as the mails are uncensored, and a large element sympathetic with the worst alien influences is established among us, physical exclusion of aliens will be but a partial solution of our problem.

The policy of exclusion has long been recognized by the United States. It has been but fitfully applied, however, and for the most diverse purposes. When it was discovered decades ago that assistance was being furnished to the indigent of Europe to migrate to America, the danger that they might become public charges moved us to counter by demanding proof of some sort — either the possession of money or personal connections with responsible guarantors — that they would not become a public charge. This was well enough, though it was undoubtedly the least of the dangers with which we were confronted.

Later the danger from infectious diseases aroused anxiety and the exclusion was extended to persons thus affected. This restriction had less to do with immigration



than with the general principle of quarantine which is a necessary port precaution everywhere in civilized countries. The substitution of deportation for detention was a drastic but highly proper additional precaution in the case of chronic infectious diseases for which detention was no remedy, and the throwing of the burden of deportation back upon the shipping company induced caution at the outset.

It was with the rise of our labor movement and the concurrent practice of employers to seek cheap labor from abroad that the first more general restriction of immigration was undertaken in the shape of the contract labor law. This law forbade the hiring of labor abroad and excluded immigrants thus hired. The purpose was merely to deter the immigrant from coming. It was not that the contract immigrant was worse than any other, or that the contract was wrong in principle, but that with assurance of employment he was more likely to come. It may be doubted whether the law effected its purpose. The immigrant was hired in New York instead of in Europe and soon learned why the contract must be nominally postponed until his arrival. Immigration agents kept track of industrial conditions and gave assurances which were nearly as potent as contracts. As a means of retarding immigration it was of doubtful efficacy. Whether it modified the terms of the labor contract and thus possibly lessened the severity of competition with American labor, it is difficult to determine.

As the problem became graver new restrictions appeared. The shifting of the center of migration to more revolutionary populations invited a new kind of restriction aimed directly at the disturbing elements in question. Persons holding views subversive of American institutions

within certain defined limits were denied admittance, and if found expressing and propagating such views in this country, were to be deported. This net has caught a certain number of undesirables and proved a check upon the more blatant forms of propaganda. Its use during the war has naturally been more extensive, and while it has fallen far short of giving us the protection required, there can be no doubt of its justification.

But from organized labor comes pressure of a very different kind. What the workers want is not selection but restriction. To them the bad alien is not the revolutionary alien but the cheap alien, the alien who is willing to work for less than they demand. He may be the soul of probity and industry — so much the worse. These qualities will commend him to the employer. He is suspected of the supreme heresy, the heresy of low wages. Indeed if he is too numerously present, low wages are inevitable. To American labor, therefore, immigration *per se* is a menace.

But direct hostility to immigration as such has not been practicable as yet. It aroused too many counter interests. There were the employers — including the farmers — who saw in the restriction of immigration not only the rise of wages but the guarantee of labor tyranny. There were the maritime interests not minded to lose their steerage traffic. There were the sentimentalists — an immense element in America — to whom America was the refuge of the oppressed and therefore necessarily committed to unrestricted immigration. And, finally, there were large numbers of resident aliens who were interested in securing admission for relatives or possibly for their oppressed race. Patriotic Jews, for instance, who were interested in the rescue of their race from the

tyranny of Russia or Rumania, were aroused to a furor of opposition by any suggestion of restriction upon immigration.

It was necessary, therefore, to seek allies among the opposition and to secure restriction under a disguise. Hence the bitterly contested educational or literacy test, a bill passed by repeated congresses, always vetoed by the President, and at last passed over President Wilson's veto. For the first time we have a law seriously limiting immigration. There can be no doubt that this is its purpose in the minds of the great majority of its supporters. The sifting of applicants with a view to raising the standard of intelligence, a purpose doubtless accomplished in some degree, was the real motive of a much smaller number in supporting the measure.

It will be seen that we have moved steadily through broadening circles of restriction toward a frankly declared policy of opposition to immigration as such. It is now proposed to throw off all disguise and declare against immigration in principle, at first by suspension for a limited period — two or four years — and later, perhaps, by a permanent policy of approximate exclusion. The war, of course, is responsible for this bald proposal. It has revealed new dangers from immigration and has jarred us out of old ruts and enabled us to think new thoughts. Above all, it has given to organized labor a new confidence and aggressiveness. Is such a policy feasible or desirable?

It may be well, in the first place, to notice certain difficulties that such a policy would encounter. And in this connection it must not be forgotten that the occasion for this policy is our wealth and opportunity. Our population is about one sixteenth of the population of the world

and we possess close to one half of its wealth. That means that the average person in America is about fifteen times as well off as the average person in the rest of the world. Hence our situation tempts the rest of the world mightily. They will not willingly acquiesce in a policy of exclusion. If they do not attack us by violence and batter down our gates, they will at least make constant efforts to evade the restriction. This permanent incentive and attitude must be borne in mind throughout.

This policy means first of all an unheard of increase in our police restrictions. Our experience with Chinese restriction has been significant, but affords no parallel. A Chinaman can always be recognized, and this makes detection relatively easy. But if a German slips across the Canadian border into Wisconsin where Germans are everywhere, he would attract no notice. It must be remembered, too, that Canada would not help us here. She is still in that early state of development where immigration is eagerly welcomed. With a welcome in Canada and three thousand miles of unguarded frontier between, it ought not to be very difficult for an alien to get to us if he is intent upon doing so. The alternative would seem to be to require all persons liable to suspicion, — and possibly all persons whatsoever, — to carry identification papers, birth certificates and the like as was true in Russia under the old régime. There can be no question that such a requirement would be deeply resented by the American people, both because of its personal annoyance and on account of the augmentation of police supervision which it involves. No American government would dare to propose it. And yet failing such provision, the enforcement of an exclusion act would be most imperfect.

It will be clear, too, that no such act can be absolutely exclusive. Freedom to travel, to study, and to do business can not be denied — certainly not without provoking reprisals which no prudent nation will incur — and these privileges may and often must result in prolonged residence. There is no natural line between transient and permanent residence, and the attempt to distinguish them would result in endless shift and evasion.

The worst of it is that immense and powerful interests in this country would be enlisted on the side of the immigrant. There are first of all the employers, a pretty comprehensive and powerful class, who seek the immigrant not merely as an addition to the ranks of labor, but because he is less difficult to deal with than organized American labor. The danger from this source has long been the most serious that labor has had to meet, which means of course that it has been the employer's principal recourse in the great struggle. He is not likely to surrender it without protest.

But it is not simply "big business" that is interested in immigration. Almost every well-to-do household in the land is dependent upon immigrant service. In the older settled portions of the country, at least, there is virtually no other. It is more than fifty years since I have met a house servant who was not of recent alien origin. The war, which has cut off the annual supply of recruits, has allowed the ranks of domestic service to be depleted by marriage and transfer to other employments until revolutionary changes are threatened in our household organization with far reaching results to the social order. Decidedly there will be opposition to the policy of exclusion on the part of household interests.



The recognition of this situation easily brings us to the larger fact, one of the most momentous facts with which we have to deal, and one that is basic to all such studies. Our entire social structure has been built around the fact of immigration and has become dependent upon it. Immigration has profoundly affected not only the psychology but the biology of the American people, and that to an extent which would make the continuance of the present order impossible if immigration should cease. We should have to rebuild almost from the ground up, and no matter how unobtrusively and peacefully this might be accomplished the effect would be revolutionary.

Throughout practically the whole period of our immigration the immigrant has been the inferior of the native American. Indeed it was this disparity that induced him to come. As a result he accepted employments that were less desirable than others, and these in turn became associated with his inferiority and thus acquired a new stigma. The tendency was to segregate employments and create castes of a mild type corresponding to them. Fortunately these castes have never been closed to upward movement, though complete recognition in a higher caste is difficult within the limits of a single generation. If a family has risen from humble circumstances to wealth, the gossip of the place never fails to repeat that Mrs. Blank was once a servant, though the legend may be forgotten in the lifetime of her children. On the other hand, the downward movement is barred to voluntary choice. An American girl will teach school, will perhaps become a stenographer or a saleswoman, but she will not become a house servant even though taste and



pecuniary interest favor. The same caste distinctions are visible in male employments, though the relation is more complicated.

This is not all. With the reservation of higher economic and social status to natives, there has inevitably come a care for the standard of living and exactions for its maintenance which have greatly lessened the fertility of the native stock and tended to limit its personnel to its restricted functions. My father was one of twelve children, my mother one of ten. I am one of five, my wife one of three. I have two children, both in the thirties and both as yet childless. That is a typical American record for four generations.

It has been ably argued that if immigration had been stopped a hundred years ago, we should have had as large a population as we now have. The American stock, unrestricted by privilege and caste, would have retained its old fertility and would have filled the land with its descendants. This is possible. But inevitably this American stock would have become more complex. It would not have become an upper caste but would have developed its own serving caste not the less distinct or subordinate because American. England has done that; France has done it. Whether social understandings would have been easier with such a serving caste is not clear. They might have been more difficult.

But all these considerations are irrelevant. We did not restrict immigration and fill our land with American stock. The alien caste was easier formed, easier maintained, and we all signed away our right to replenish the earth in its behalf. Today we have lost the power to reverse that decision. We have lost our fertility as a

race. If immigration were cut off and we were thrown on our own resources we could not reverse the movement. American girls would not now accept domestic service, no matter what the inducements. Some may see in this the possibility of a return to the simple life with the simplification of the household and the lessening of its burdens. The hope is vain. The simple life and the primitive household of the earlier period will not return except as the result of a prostrating recession in the national culture. If the more elaborate household of our day is abandoned it will be in favor of the apartment hotel with its moral and cultural problems, its restrictions upon child life and its further repression of our race fertility. Protest will be vain. Caste and its privileges are too pleasant to be lightly abandoned. Individual choices will be made on grounds of individual convenience and advantage, and with little appreciation of their bearing on the general welfare. Such movements are ratchet movements. They can not be reversed.

But household service is but a single aspect of the problem. The same situation and the same difficulties are encountered in male employments. There can be no doubt that the exclusion of aliens would paralyze a vast number of industries, many of them vitally necessary. Take the single item of coal. There can be little doubt that if our aliens were banished, no price that we could offer would induce native Americans to mine the coal that we require. Native-born Americans have become an industrial aristocracy and that job is taboo like many others.

It is futile to oppose to these known and stubborn facts the time-worn watchwords of democracy and equality.

They are not without meaning, but they are without application. Rave as we will, this organization has come to stay. We may rebuke Americans (other than ourselves) for their unwillingness to dig coal, but if we want to keep warm next winter, we must have some aliens to dig it. And there are other things than coal.

If we have grasped these facts in their true significance there can be no possibility of a complete and permanent or even of a long continued exclusion of aliens. We could not keep them out if we would. We should miss them intolerably, if we did. The policy of restriction must therefore be a limited one and must be subordinated to other remedial measures. If the suspension of immigration for two years as now proposed in a bill before Congress, will allow the forces of Americanization to catch up on their job, it may be worth while, but only on condition that those forces are definitely active. If it is going to be merely two years of drift, the inconvenience is not worth while.

On one point, however, we should be perfectly clear. The undesirable alien should not be admitted or retained if admitted. We are in a position to pick and choose, and we should sift as never before. All sentimental nonsense about this being the home of the oppressed of every nation should be hushed. We have had abundant proof that the spawn of tyranny is tyrants, and that those who have been bred under oppression are the most incorrigible of oppressors. I see no harm in making far more drastic than we have thus far done the inquiry into the character of the proposed immigrant. I don't know how it may be done, but in principle the burden of proof may reasonably be on him. He must come with a character and must be able to establish it. If admitted

it should be on probation, the probation to be summarily terminated for violation of its conditions. At the risk of some loss of liberty I would insist that those who enjoy the protection of our institutions should harbor no designs of violence against them.

## CHAPTER XXI

### ASSIMILATION

IT seems clear from the foregoing considerations that restriction of immigration promises but partial protection from the dangers which threaten us. The alien can not be kept from our shores, nor can he be spared without a complete reconstruction of our national economy and a change in our social organization that none of us would tolerate. Our only other recourse is assimilation. We must make him a safe citizen and an acceptable neighbor.

I do not pretend to suggest or to understand in detail how this is to be accomplished. I am not a technical expert in any of the lines involved and I shall not enter upon any technical discussion. But as a thoughtful citizen I have certain suggestions as to ends to be attained which may be of value. I trust the expert will find a way to accomplish the needful.

I am assuming at the outset that positively pernicious applicants have been rejected or failing that — and we have fallen very far short of that hitherto — that such persons are to be persistently weeded out. I do not believe that any possible assimilative agencies that we can employ will be effective without this preliminary sifting. The conditions in certain parts of Europe — parts, the source of most of our recent immigration — have long been so unfavorable, and conditions following the war are so certain to be even more unfavorable, that we

may count with certainty on having a positive inundation of perverted human material for years to come unless we guard against it. I am perfectly clear that we must do so much more stringently than in the past. I do not know how it can be done. This is one of the matters in which the expert must be called. I would beg only that he set himself earnestly to the task. If I were to venture suggestions for his consideration it would be to query whether the obligation of making out a character could not be laid more positively upon the applicant, whether inquiry could perhaps be made nearer the source, possibly in doubtful cases at the applicant's home, and finally, whether guarantees might possibly be provided during a certain period. I do not know that any of these are feasible. If not, then the expert must find other means. Somehow the test must be made. Selective immigration is the only possible immigration from now on.

Of course it will be recalled that we have our literacy test under the recent law. Doubtless this serves the purpose we have in view in some very small degree. We might assume that it had been adopted in default of anything better as the only practicable winnowing, were it not perfectly known that it was adopted for another reason. It is a labor bill and its purpose is to reduce the volume rather than to change the character of immigration. This it may be counted upon to do, for illiteracy is very common in those regions from which the lowest grade immigrants come. But it is notorious that the most dangerous elements are not illiterate and that they pass through this net with ease. We must have a net with a finer mesh.

In adopting restrictive measures such as here proposed,



it may be queried whether the total exclusion of immigrants coming from certain districts or even from whole nations, for a time at least, may not be desirable when it is established that evasion of our laws is being systematically practiced there. The question of discrimination will be raised, but not legitimately if the ban is laid in accordance with declared principles and impartially applied. Such a proceeding would be a delicate one and would need to be applied with great caution, both because of international relations and, alas, because of the race factor in home politics, but it may prove the one really effective measure in an emergency. Imagine, for instance, the success of the Kolchak government in Russia and the overthrow of the Bolsheviki. Some hundreds of thousands of ex-bolsheviks would seek safety in flight. Could any sifter save us from this invasion? Could we run ever so slight a risk of having this nefarious organization transplanted to our shores? Would it not be legitimate self-protection to clap on the lid in such cases and prohibit in toto, for such time as the emergency might be judged to last, all immigration from Russia? Again I do not undertake to say just how it should be done. A law vesting the President with the necessary authority would have the merit of theoretic promptness. Others can better judge how best to accomplish the purpose.

Once the alien is accepted, the process of assimilation should be begun forthwith and as systematically as possible. Let us drop once and for all the long cherished delusion that assimilation takes place automatically. To a certain extent it does so, no doubt, and if the immigrant himself assumes the responsibility and is favorably situated, nothing more may be required. But this is by

no means always the case. If we are to prevent the continuation and even the aggravation of a situation already perilous, a much more positive and systematic procedure must be adopted.

The first thing is to know just what we want. It seems to me that two things at least form an irreducible minimum which may well be laid before the immigrant at the outset, not only as desired, but as conditions of his admission to which he may reasonably be asked to subscribe. The utmost pains should be taken to avoid perfunctoriness in the presentation of these requirements. A mere printed slip passed mechanically to the immigrant as he files past, to be dropped, perhaps, in the street at the exit, will accomplish very little. I can not help wishing that such matters might be presented in the shape of a kindly personal talk in the immigrant's own language before he is released to go his way among us.

There should first be a careful explanation that in this country the people rule and determine their own form of government, that means were provided in the government itself by which the people at any time, and in an orderly and peaceable manner, could change their government to suit themselves, but that such changes were never made until a majority of all the people desired them. And since such provision was made for orderly and peaceable change, no other form of change was tolerated, that since the rule of the majority could be established without violence and the rule of the minority ought not to be established with it, violence was forever excluded from our country as a means of effecting changes in government, and that we could admit no one to live among us who did not pledge himself

to respect this fundamental rule of our society. I am far from believing that such a presentation would protect us from the contagion of European revolutionism, but if tactfully and sincerely done, possibly with the privilege of questions on the part of those addressed, the great majority of immigrants as I have seen them in more than fifty ocean voyages would be profoundly impressed. It is this impression, more than the definite pledge which should follow it, upon which reliance should be placed, but neither would be without effect.

The second point should be an insistence upon the mastery of the English language so far as practicable at the earliest possible date. It should not be left to the immigrant to discover by accident what the language of the country is, or to learn perhaps too late, that it is well for him to master it. It should be urged as an essential to life among us and to the fulfillment of his obligations then and there contracted. There should be no difficulty in connecting this condition with the preceding. How can he understand others or make them understand him in this country where the will of the majority determines the government and the law, unless he can speak and understand our language? In particular he should be urged to see that his children acquire the English language in their schools. And once more I would terminate with a definite pledge.

No doubt I am an enthusiast. The routine bureaucrat of our immigration administration will smile at the visions of an unpractical outsider. I plead guilty to the indictment. I defer to his experience. Only he must not tell one there is no way. There must be a way. He must have a vision if he will not follow mine. "Except there be a vision the people perish."

Our immigrant is at last released and makes his way among us. At the first street corner he meets an ex-fellow countryman who speaks to him in his own language, tells him that all the stuff he heard at the station is "capitalist dope," that the majority never really has its way, that this is a country of wage slaves and capitalist tyrants, and that his only hope is in the I. W. W. and the social revolution. He can go to big churches in New York or any other big American city and hear much the same thing. What is he to do?

The Anglo-Saxon is pretty effectually committed to the doctrine of free speech. It irks him tremendously to have his freedom curtailed even in war. To submit to curtailment in time of peace goes against his most fundamental traditions. It is not only profoundly distasteful to him but he is powerless to believe in the efficacy of any such curtailment. His rule has always been: "Let them talk. Probably it will end in talk. If it doesn't, act when they begin to do things."

It is not well to be easily frightened, and I am aware that the rule has been maintained through many a crisis when its abrogation seemed to be inevitable. Nevertheless we can hardly be unaware that we have already begun silently — if not to curtail freedom of speech — at least to define it with greater circumspection.

Incitement to murder is now punished, and if the murder follows, is punished like murder itself. So likewise conspiracy to do unlawful acts. Other cases could be cited.

The great question is, are we prepared to ban revolution utterly as a means of social change? Have we sufficient confidence in the means we have provided for the evolution of government to decree inexorably that there

shall be no other? Are we ourselves prepared to submit freely to this law of peaceable change and to permit the free formation of majority opinion favorable to it? If so, we have the basis for a ban upon incitement to revolution. I shudder at any system of far-reaching police espionage. I do not know what methods are feasible, or where to draw the line. But I submit that if we continue to receive immigrants from regions profoundly demoralized and seething with discontent and allow them to pass into an environment of organized revolutionary propaganda, conducted in their own rather than in our language, we are going to subject our faith in free speech to a test that it has never before endured. Again the wise skeptic may advance all manner of objections. I am willing to defer to his expert opinion, but again with this injunction. *He must find a way.*

Of course the objection will come from the bolshevik's parlor ally that the way to check his propaganda is to satisfy his demands. I have already made such suggestions as I can in this direction. I have no doubt that the most serious danger in this propaganda is the element of justification that it has in present industrial conditions. But I trust I may be excused if I dissent from the program of satisfying his demands. They include potentially, often avowedly, the total overthrow of our present industrial and social order with plans for reconstruction too vague and too impracticable to reassure me. Between me and the social revolutionary there is a gulf fixed that no compromise can bridge. I believe in the privilege of inequality which is but the privilege of being all that it is in each of us to be. I believe in the private custodianship of capital as a thing that can be slowly trained to social service and which



can alone assure the existence of capital. I believe in privileged spending as the torch bearer of an advancing standard of living, without which the escape from squalor could only be into dissoluteness and gluttony. I believe that these and other fundamentals of our social order can be and are being schooled to social service and that, despite all abuses, in this lies our hope. The bolshevik, he of the parlor and he of the street, believes none of these things. I am willing he should have his belief. I am willing he should establish his system if he can peaceably persuade a majority of mankind to do so. Farther than this I can not go. There is no peace with the man who demands the overthrow of the existing order and the right of a minority to accomplish it by violence. If there is anything fundamental it is here.

I can not make detailed suggestions with regard to the numerous agencies for influencing the immigrant except to urge their importance and their claim upon a larger share of the sympathy and support of good citizens than they have hitherto received. No possible means should be neglected to bring about the Americanization of these incoming aliens as completely and as rapidly as possible. Theodore Roosevelt never gave a better illustration of his remarkable insight into the needs of our country or bequeathed us a more valuable legacy than by devoting the last months of his strenuous life wholly to this cause. More than any other American statesman he read the lesson of the war. He realized that the peace of America and of the world depended, not upon agreements with the inhabitants of Afghanistan and Timbuctoo, but upon the clearing of our own vision and the solidifying of our own purpose as a nation. He felt called upon to sacrifice other interests dear to his heart



and of world import to this great end, that every person dwelling within our gates should become American in mind and heart.

It will not be amiss to repeat here an injunction upon which he laid great stress, that the foreign-born American, if loyal, should be subject to no disabilities, political or social. If we demand absolute allegiance as a condition of recognition, that allegiance once assured, the recognition should be equally absolute. Social privilege, in the more intimate sense, is indeed not a thing to be claimed. It is a matter of congeniality and derives its whole value from it. To this, foreign birth and training are generally a bar. Social discrimination, to be sure, is a dangerous weapon, and the snob is the most incorrigible of anti-social factors. But no good comes of trying to commandeer the more intimate social privileges for public service. But within limits which the sensible will recognize, recognition is a legitimate claim. Above all in political relations, the spirit of exclusiveness is promptly met by the spirit of clannishness, and the Irish vote, the Polish vote, etc., acquire a mischievous potency. I am under no illusion as to the difficulty of the lines of policy here suggested, but who hopes for an easy solution of such a problem?

There remains the great problem of the schools. Fortunately the war has enabled us in some things to see our way clear where the issue was clouded before. I will not discuss the question of special adaptation of our schools to the education of immigrants, particularly adults. These are expert problems where lay suggestions would not be helpful. It will suffice to insist upon the importance of doing all that is practicable in these lines.

The all important principle is that English should be the language of instruction throughout the United States. The language of instruction is an entirely different thing from language as a subject of instruction. To teach German in school is one thing — and a very innocent thing if reasonable precautions are taken against making it a medium for propaganda. To conduct school in German is quite a different thing, a thing not to be countenanced if we care for the great end we have outlined. The argument that children who go to a German school will learn English anyhow is no answer. The effect of making German the medium of instruction is to give it, in the mind of the child, a status to which only English is entitled in this country, and to create a formidable obstacle to that unity of allegiance and spirit which is the very heart of our problem.

Our policy should therefore be one of absolute prohibition of school instruction, public or private, in the medium of any language but English. It is possible that there are still localities in the United States where the enforcement of this rule is not yet practicable. If so, they should be made to feel that their attitude is regarded as unpatriotic and that it is tolerated under protest. The country should declare itself, by law if possible, but in some way beyond possibility of mistake, as committed to the policy of a single language for all governmental and public functions, and should declare it the duty of every person seeking residence among us to make that language his medium of communication. If sentiment demands that children be educated in an alien tongue, that sentiment is *prima facie* evidence that those who entertain it have not expatriated themselves to the extent that our national needs require.

This point conceded, we may give ourselves no concern about German or any other language as a subject of instruction. There will naturally be questions as to when that study should begin, what language should be preferred, and the like, all of them questions quite outside the scope of our inquiry. But the study in itself should be welcomed. Nothing could be more foolish than to abolish the study of German in our schools and even in our colleges and universities simply because we were at war with Germany. The experiences of the war constantly emphasized the importance of this study. To deny ourselves the privilege of reading a German book while the German remains able to read ours, is simply to place ourselves under a gratuitous handicap. The time has come for Americans to shake off their torpor, their dread, their conceit—whatever it may be that stands in the way of their mastering foreign languages—and have it understood, as in the enlightened countries of Europe, that no man is educated who is ignorant of the language and the literature of the greatest races of men. The spectacle of a President of the United States, himself known all his life as a scholar, going to meet the diplomats of Europe without the ability to read a sentence in the recognized world language of diplomacy, sacrificing whole days of a Peace Conference's time because the digest of its proceedings had not been prepared for him in translation, is a humiliating comment on our provincialism. If the world is going to keep its eye on Germany, as it must do for decades to come, it had better be able to listen to German mutterings in the original. German is still the most important foreign language for an American to know. The quicker we get over our brain storm about studying it the better. I write as

one who knows French and German and their literatures equally well and whose sympathies are not with Germany.

The question of our foreign language press is a delicate one. That it retards the end we seek can not be doubted. Yet to prohibit it is wholly impracticable and would in turn provoke resentment and unfavorable reactions. It is to be noted, however, that this foreign language press owes its existence largely to the failure of the immigrant to learn English, and with that defect remedied its influence may be expected to wane. It may be doubted whether more than this and patriotic watchfulness of its utterances will be needed to remove any danger that it may contain.

## CHAPTER XXII

### MONGOLIAN IMMIGRATION

I HAVE reserved the subject of Mongolian immigration for separate treatment, both because the American people have done so and because I believe they are right in doing so. I am very far from accepting all that is alleged on this subject by the one side or the other, but it remains true at the end of every analysis that Mongolian immigration forms a problem by itself.

By the Mongolian I mean the Chinese and the Japanese. There is some doubt as to the appropriateness of this term, some doubt also as to the close kinship of the Chinese and the Japanese. Into these discussions we have no occasion to enter. Whatever the relation between the two races or their relation to other races, they present almost identical problems in this connection. The chief difference is that Japan is a well organized nation with an army and navy that command respect, while China is disorganized and helpless. So we meet the problem as presented in the two countries in quite different ways. But the problem itself is in the last analysis the same. As Japan is the one that has entered the lists in favor of Mongolian rights and the one whose case is somewhat actively before us, we may conveniently consider the Japanese question as representative, indicating, as we have occasion, the slight differences in the case of China.

Let me begin by saying that I have some acquaintance

with the Japanese people as the result of four rather comprehensive visits to their country. My experience contradicts much of what I hear said of the Japanese in this country. It is constantly asserted that they are tricky and unreliable, that they violate labor agreements, that goods ordered from Japanese manufacturers are uneven in quality and not according to sample, and more to like effect. The legend that Japanese banks employ Chinese help because they can not trust their own people — a pure fiction — is unceasingly repeated in explanation of our own attitude. How much truth there is in these assertions I can not say, but there has been nothing in my experience to confirm them. On the other hand, there is abundant explanation for them if true. Japan emerged from feudalism but fifty years since and in that period her entire organization, political, industrial, and social, has undergone the most radical transformation. In all such transformations ethics come tagging after. My only surprise is that the Japanese have been so little disoriented as seems to be the case. Japanese industries, too, are new and the ability to maintain a perfectly even standard throughout a long order has not been fully acquired. Nor can a people recently emancipated from feudalism be expected completely to respect labor agreements. Perhaps we may add, too, that such agreements are not always respected elsewhere.

This discussion might be carried further, but to little purpose. It is sufficient to add that I believe Japanese exclusion can not be justified on grounds of moral or mental incapacity. If we have a standard of admission in these matters, which has not always been too evident, I believe the Japanese can qualify. I should distinctly prefer them to certain peoples whom we have thus far



admitted and shall doubtless continue to admit. In education and capacity they are decidedly above the average.

I nevertheless believe that both the Japanese and the Chinese should be excluded, or virtually excluded, from settlement in the United States. The reasons for this exclusion, honestly stated, are not prejudicial to them but rather complimentary,—in the case of the Japanese highly so. But they are none the less mandatory if we are to protect our race and perpetuate our civilization.

The first fact to be noted is the density of their population. The population of China is unknown and is the subject of widely divergent opinion. We only know that it is greatly congested and that the struggle for existence is desperate. For Japan, however, we have census statistics as accurate as for any country. In a territory less than the state of California and only one sixth of which is or ever can be cultivated lives a population of over fifty millions. Such density of population is not unknown elsewhere. England and Belgium about equal it. But there is this immense difference. Japan raises substantially all the food for this tremendous population in her own little territory while Belgium and England are little more than vast factories whose operatives import their food from abroad.

Moreover, this dense population is still rapidly increasing. The major part of a million is added to the population of Japan every year. Earnest and even desperate measures have been adopted to check this increase but without appreciable result. The instincts and habits upon which it depends are among the last things to be brought under effective control.

Overpopulation is one of the most difficult problems with which a government ever has to deal. It produces

misery and discontent which its victims never attribute to the true cause. Criticism of government, revolt against the social order, and fantastic theories of revolution and reconstruction are its natural result among a people too far advanced to starve in submissive silence or to relieve the pressure by horrid practices like infanticide and suttee. Everywhere it is an acute problem calling for measures of relief.

A race long subject to these conditions learns a way of living that is impossible for an uncrowded race. Little by little the most amazing adaptations develop and life is adjusted to its scanty resources with the utmost nicety. This is nowhere so true as among the Mongolian peoples. Among the Chinese it degenerates into unspeakable squalor, but not among the Japanese. There is a daintiness and a refinement about Japanese life even in the humblest village which is the miracle of civilization. Said a friend who traveled with me through Japan, an American college professor accustomed to the limitations of a moderate salary: "Japan has solved the problem of the simple life. Forty Japanese families would live, and live decently, on what I spend on mine."

The difference between Japanese daintiness and Chinese squalor is not significant for our purpose. Both races flourish under their accepted régime. Both maintain physical vigor and industrial capacity. Nay, more. Both have learned docility, patience, and endurance. Both have accepted life on conditions that we have rejected and steadfastly refuse to consider. And both have undergone physical and psychic adaptations that are unknown to us. It has been facetiously said that a Chinese coolie will fling himself down on his wheelbarrow with his head hanging over, his mouth open, and

a fly in his mouth, and sleep better than an American on a spring mattress. This is a grotesque statement of an important truth. Hardihood, industry, parsimony, and fertility characterize the countless Mongolian throngs that knock for admission at our gates. These are virtues if you will. I grant it. It is their virtues and not their vices that menace us.

It needs no effort of the imagination to see what would happen if these people were free to come to us. They would accept life on terms that we have refused, terms that we have no power to accept. If we had all the willingness in the world to live on their terms, we could not do so. We should literally die if given the food and lodging of a Chinese or Japanese coolie. That, of course, would not be the immediate alternative. The Japanese now with us are quick to size up the labor situation and to demand their four dollars a day, along with the rest. But that is because we protect them from the competition of their myriad fellows. Open the door wide and Mongolian immigration will break over us like a flood and the Mongolian standard will inevitably be established among us.

The net result, of course, would be the disappearance of our race before this impossible competition. It would not take place quickly or peaceably. It would result in bloody clashes and race hate incalculable, but unless these resulted in driving out the intruder and closing the door to his return, the result would be only a question of time. The Mongolian himself would of course undergo great changes in the process. He would not be living in America as he lives in Asia. He would have adapted himself in large measure to American conditions and adopted American standards. I am not sure that our

higher interests would find him unappreciative or untrustworthy. Concede what you will — and I am prepared to concede very much — to his power to rise and to his individual virtues, the one great fact remains. He would be here and we would not. Whatever compromise might ultimately be hit upon between the two races and their respective standards of living, these two facts admit of no gainsay. *There would be a large measure of displacement and a lower standard of living.*

“ Well, what of it? ” some friend of the Japanese will say. “ If the Mongolian is our equal in virtue and efficiency, and if he has no vices more to be dreaded than our own, why should he not inherit with us? If he lowers our standard of living he teaches us the superior resourcefulness of his own. He, at the worst, but anticipates a result which must come with the growth of our own population, and he contributes by his art in no small measure to lessen the hardship of the inevitable transition. Meanwhile, is not the relief afforded to his own country and the friendship which our hospitality assures to be counted for something in striking the balance? ”

Such arguments are not to be answered by a shrug of the shoulders and a grunt of aversion. And yet this aversion (which is perfectly reciprocated by the Japanese) is the key to the problem, though not as a finality in itself nor yet as a sign of biologic incompatibility as is often assumed.

There is a popular theory of uncertain scientific validity that hybridization between races of widely divergent types produces unfavorable variations, and concurrently, that race aversion is the test of this biologic incompatibility. I am uncertain how much warrant history offers for this conclusion. Such hybridization has

certainly often taken place, and I am not sure that the result has always been unfavorable or that when unfavorable, it has been due to biologic, rather than to arbitrary, social causes. Thus, one of the races has almost always been a socially inferior, usually a conquered, and often an enslaved race. As the children have invariably found their place with the inferior race there is much in post-natal conditions to be taken into account, as witness the case of the Eurasians in India and China. Those who will, therefore, may urge with some plausibility that the introduction of Mongolian blood into our American complex would have no pernicious results.

I have stated as sympathetically as possible the arguments of the limited few who, by long familiarity with the Mongolian under favorable conditions, have acquired the nerve to think the problem through to its logical conclusion. Most of those who favor Mongolian immigration are guiltless of any thought beyond the individual and the sentiment of the moment. Considerations of displacement and standard of living leave them mystified and incredulous. Suggestions of intermarriage and hybridization are too disagreeable for refined people to think about. Such persons can hardly contribute much of value to our inquiry.

But all arguments for race blending in this connection are beside the mark. The blend may leave nothing to be desired. It simply will not take place. There will be exceptions, no doubt, mostly at the bottom of the social scale, but the race aversion which is mutually felt will keep the two races substantially distinct. Hybrids will be under the heaviest of social disabilities and will sharpen the cleavage between the two races.

This is the supreme fact. The Mongolian will displace



us as the German, the Pole, the Greek has displaced our earlier population. But unlike them he will not assimilate, will not lose his race character in ours. We will not let him do so. He will not let himself do so. No matter what his virtues, his capacities, he will be a separate race. And as he will displace us under conditions of intensive competition and with circumstances of conscious hardship, the relation between the two races thus separated will be one of conscious hostility. I have no doubt that he would prove in a way a great convenience. Ultimately he would develop an admirable serving class and the privileged castes, whatever their race, would find him as indispensable as the whites now find the negro in the South. But like the negro he would be none of us, a consciously distinct racial element automatically segregating itself in thought and feeling in every crisis, but an element of such extent, virility, and power as to be utterly beyond our control. It is unnecessary to blacken the Mongolian in this connection. He may be our equal or better. Better or worse, he can displace us and no voluntary deference on his part can avert that result.

A new Mongolia developed in our midst and largely sectional in location, having no real consciousness of unity with our people, with mutual rivalry and aversion passing into hostility and feud, could not fail to lean upon Asia for moral and physical support — upon Japan today and upon China tomorrow. The relations thus established would be infinitely more trying than those that we now seek to relieve. We should be purchasing the peace of today by the certainty of discord tomorrow.

Much is said of Japanese sensibilities in this connection and the necessity of doing something to placate them.



Prominent among proposals to that end is that of Dr. Sidney L. Gulick, long a missionary in Japan and a most ardent partisan of her cause. He is not insensible to the dangers here mentioned, for he is one of those who think rather than merely feel. Nevertheless, he sees in the situation primarily a problem of sensibilities and feels that relief in this connection is imperative. In a word, we must maintain virtual exclusion but must find a way to do it that will not wound Japanese sensibilities. To this end he proposes that all immigration be restricted on a percentage basis. He would have us limit the immigration from every country to a certain percentage — say three or five per cent — of those now here from the country in question. This would mean practical exclusion of the Japanese, but it would have the transcendent merit of showing no discrimination. The Japanese would be treated exactly like everybody else.

Yes, in a purely artificial and arbitrary sense. The Japanese would be admitted, not in proportion to their numbers, their education, their capacity, their merit, but in proportion to those previously admitted *during a period of discriminatory exclusion*. It must be a pretty superficial people who can get much consolation out of so artificial a basis of equality. And to secure this, Dr. Gulick would accept the most monstrous and pernicious handicap upon our problem of European immigration. His proposal would open wide the door to immigration from Ireland and close it to England from which a heavy migration is expected following the war. It would admit a very large number of bolshevik Russians, but would slam the door absolutely in the face of the French. In short, it would introduce widespread and disastrous artificiality in our relation with other nations, all in the

interest of a mere bluff at equal treatment for the Japanese.

It is needless to say that if the sagacious Japanese have welcomed this proposal it is for ulterior reasons. Those reasons are not far to seek. The avowed purpose of the proposal is *equality*. That is what Japan is seeking by every means in her power. The concrete interest involved is nothing. The precedent is everything. That precedent once established, it can be urged irresistibly in other connections. If we concede the principle, other applications will be forthcoming. The principle is what Japan wants. That is what Dr. Gulick wants. But Japan has other uses for it than any that he contemplates.

The way to spare Japanese sensibilities is to tell them the truth. Let us stop saying, even by implication, that the Japanese are not good enough, moral enough, capable enough, to come to us. Let us have done with the pretexts which we so disingenuously offer to Japan and withhold where equally applicable in Europe. Let us concede, as we honestly may, the full equality of the Japanese people, their culture, their morality, their capacity for progress. But let us say that any attempt to fuse their race with ours would involve disturbances and be attended with obstacles out of all proportion to those attending the fusion with European peoples. The Japanese can understand that, and though they may still seek the opportunity which our country offers and strive to secure it, there will be no insult, no treacherous offer of sham equality.

## CHAPTER XXIII

### DEMOCRACY

PEOPLES, like armies, have their passwords, words the mere utterance of which at the proper moment opens the way to favor and privilege. Words that have acquired this special character are apt to lose their exact meaning. Their talismanic virtue is invoked for all sorts of purposes by persons innocent as well as designing, until they become fetishes to which we render awed and unthinking obedience.

Democracy today is our password. No matter what our political ideas, we are sure to claim that they are democratic. Anything not so denominated would be given short shrift by popular judgment. But if properly labeled, our ideas are likely to find the world tolerant. The popular mind is not vigilant to apply the acid test and the most divergent ideas are credited under the title of democracy. Thus, at the moment when the ballot is claimed for woman as the clear corollary of democracy, a German reactionary in an elaborate treatise lauds democracy as the true principle of political organization, but assumes as self-evident that the great majority of mankind are permanently incapable of sharing in the responsibilities of government. This claim is perfectly sincere and the writer is unconscious that there is anything preposterous in his conception of democracy. These extremes only illustrate the diversity constantly met with in the use of the term.

This is all very well for a rallying cry, but for purposes of exact thought we must be more circumspect. We must either avoid the word altogether or use it in a sense that is compatible with this diverse usage. That is, we must if possible find a meaning for the term which is common to all its diverse uses, using other terms or qualifiers for more specialized views.

Now there is one thing that is common to all systems that call themselves democratic, from the class rule of the proletariat or the system of universal suffrage to the limited aristocracy of the German reactionary, and that is that they are all of them governments consciously instituted by men and claiming no other authority than the will, more or less general, of the governed. We are so accustomed to this idea that it seems the merest truism and one that serves no useful purpose in present day discussion. But it has been, in fact, the real issue in the great struggle and its triumph is the substance of our victory. It is a condition of unhampered political development that we establish this basic principle that governments are made by men, and that since men made them, men may call them to account, criticise them, change them, unmake and remake them as need may require.

This is not at all the original idea. The universal belief of men in earlier stages of development is that government is established by the gods, that its form, its personnel, and its ordinances are divinely ordained and that any interference with these ordinances is sacrilege and invites divine retribution. And since the gods made government, only the gods could change it. The duty of obedience was absolute.

Under a system so guarded by taboo, modification could be effected only by subterfuge. The freedom of action

enjoyed by the divinely appointed ruler sufficed for certain minor purposes, but when it became necessary to overrule this representative of divinity or even to unseat him altogether, the divine warrant had in some way to be appropriated. This was usually effected by the convenient fiction that we had departed from the ways originally ordained and must restore the system to its original purity. Thus progress was effected in the name of resistance to change. Inasmuch as the original ordinances were usually imaginary or susceptible of free interpretation, the method allowed a considerable degree of flexibility, while retaining the invaluable steadying influence of the supposed divine sanction.

This is one of those fine adjustments of which social evolution offers so many examples. Without this sincere faith in the divine sanction and this equally sincere subterfuge for effecting necessary changes, we may be quite sure that orderly government would never have been instituted among men. We have no occasion to blame this system as inherently wrong or vicious. The only question is whether it is still serviceable or whether men have outgrown it. This is a question to be answered in each given case with much caution. The first need of government is stability, and until this is very thoroughly assured it is perilous to let men realize that government can be changed at their pleasure. The awe of the gods and the dread of their displeasure is indispensable until men have such a respect for government and such an appreciation of its necessity as will insure its preservation. That respect and appreciation is of very slow growth. Before this crisis is over we may wish that men could again feel that "the powers that be are ordained of God."

Even after this conviction of the divine origin of



government loses its hold on men's minds, their habits of thought reflect its influence. Thus, the Athenian philosophers, among the most emancipated minds the world has ever known and addressing a people who had seemingly quite accepted the modern view of government, found it prudent or congenial to give their proposals the retrospective form. They were accustomed to urge reforms in government under the guise of a return to the institutions of Lycurgus, who became under this process a mythical being endowed with superhuman foresight and wisdom. Even the Athenians felt the need of something more than a present rational sanction for the government that they instituted. It requires a steady head to face government and social institutions as entirely human things to be remade as human judgment dictates. We have not yet so demonstrated our level headedness as to justify a supercilious attitude toward those who still stand in awe of the divine right of kings.

But sooner or later the secret is out. The divine right of kings is a delusion, or at least this right is no more divine than any other resting on serviceableness and expediency. The changes that men make are innovations, not returns to ancient ordinances. The reforms proposed come from the philosophers, not from the wise Lycurgus. The whole thing is man-made and must be man-sustained, man-modified. The political vision must be prospective, not retrospective. This idea and the policy based upon it is democracy.

The word is not a very good one to express this idea, at least in its etymology. It means the rule of the "demos," a word which meant to the Greeks something very like our word, masses, that is the common people as opposed to the classes, the "few" or the "best,"



who had previously borne rule as the words oligarchy and aristocracy imply. But though historic democracies have sometime excluded the classes, the hated nobles, from all participation in government, as is now done in Russia, such exclusions have never long continued. Democracy has therefore come to mean government by the people with no necessary distinction of class but with all manner of variations in the actual distribution of power. The fuller the participation, the more democratic in this modern sense. The degree is very variable, and the forms are still more so, but the root idea is the same. Government originates with man and man must be responsible for it. It is a tremendous thought, a staggering responsibility.

In this broadest sense of the word the progress of democracy has been rapid during the last hundred years. As applied to modern conditions, democracy hardly antedates the eighteenth century. The city democracies of ancient times had hardly any relevancy to modern states. The experiment of Rome was broader but less conclusive. Switzerland was plainly an abnormal case. In the American colonies democracy was a real but a disguised and almost unconscious fact. But the intellectual and social conditions of the eighteenth century which found their most pronounced expression in the writings of Rousseau, inaugurated the modern democratic movement which has at last swept over the world.

It is difficult for us, to whom democracy is a shibboleth, to realize the status of democracy at the founding of the Republic. The idea as a practical program available for immediate purposes had none of the prestige that it now enjoys. The older notion of divine sanction, usually

expressed as the divine right of kings, was as orthodox then as democracy is now. Only a very limited number of men of great independence of thought grasped the new principle in a spirit of profound and practical faith. The experiment of a democratic organization of our federal government did not commend itself either to the general instincts of the Old World or to the judgment of most of its thoughtful statesmen. It was an audacious innovation thus to affront common instinct and expert opinion. When finally inaugurated the American commonwealth stood essentially alone, finding countenance only in exceptionally situated Switzerland and in the obsolete past of Greece and Rome.

Today the principle of democracy is recognized essentially throughout the world. Throughout the Anglo-Saxon world it has been established peaceably, a fact worthy of note as it is essentially confined to this singular race. It was already far advanced in Great Britain at the date of our independence and needed little more for its completion than to be forced into consciousness, a result fully accomplished by the political struggles of the next few years. Indeed it would hardly be an exaggeration to say that the achievement of American independence itself, terminating as it did the last serious assertion of monarchical power, effectually established British democracy, though it took some time for the British people to realize that fact.

The other British settlements were democratic, as it were, by inheritance. Save for limited portions of Canada they have hardly ever known any other than the democratic consciousness. Even the non-British dependencies like India and Egypt are being schooled patiently,

toilsomely, almost hopelessly, in the exercise of a principle which they have as yet but learned to acclaim with fantastic lip service.<sup>1</sup>

The Latin peoples are hardly less effectually committed to democracy than the Anglo-Saxon though they are unquestionably less successful in its exercise. France, the leader among Latin peoples, accepted democracy by a violent revolution which forced the consciousness of the change into the utmost recesses of the national life. Latin America is not less committed to the principle of democracy, however imperfect its application of it. Italy and Spain preserve their monarchical institutions, but both completely recognize their subordination to those organs of government that express the popular will. Possibly that subordination is less complete than in England, but it is hardly less assured. The Latin world is committed to democracy.

The prestige of the great democratic nations with some slight appreciation of the democratic principle has won a doubtful recognition from China with very little of constructive accomplishment as yet, but with little doubt of the final result. It may be, as claimed, that there are Chinese who do not yet know that the Manchus have fallen. There are countless millions who are unconscious of any change of political principle as a result. But the fact remains that China is no longer ruled by the Son of Heaven but by powers whose earthborn origin can not be doubted. However slow the change in China, it can hardly be other than a progressive realization of this fact. China is feebly but permanently committed to democracy.

<sup>1</sup> Those Americans who are never tired of echoing the complaints of Indian agitators and upbraiding Britain for not giving self-government to India should read the article, "Fuller Liberty for India," by Charles Johnston, in the *North American Review* for June, 1919.

Not very different is the situation of nations like Persia, where autocracy still survives, but temporizes with democracy by granting popular institutions which it in turn revokes. This toying with the new plaything does not amount to much at present, but unless the world temper changes decidedly, democracy will ultimately get a foothold. Perhaps we may describe Persia as a country in process of transition to nominal democracy.

The domain of autocracy had thus narrowed down in the early years of the twentieth century to the huge territory lying between the Rhine and the Pacific. It included Germany, Austria, Russia, and Japan, not to mention lesser powers whose attitude was necessarily much affected by their great neighbors. Every one of these countries had been invaded by the democratic principle but in none of them was this principle as yet recognized. It is worth while to note briefly the status of each as a preliminary to the understanding of the great change that the war has accomplished.

All of these countries had long since acquired popular representative bodies with varying but considerable powers. In Austria and Germany these bodies were chosen by universal, equal male suffrage, with admirable provisions in the former case for protecting the rights of minorities. In Hungary, Russia, and Japan there was a moderate property qualification for the suffrage, but one which the educational conditions and political inexperience of the peoples justified. In Japan at least that qualification was being rapidly lowered.

In these countries the bodies actually elected in recent years were fairly representative of the different elements of the nation. Russia, where the restrictions upon the electorate were very considerable, was an exception, but

even here it would hardly be too much to say that all politically competent elements of the nation were represented. There were grave defects of districting in Germany, but they were unintentional, the result of industrial growth, and they did not exclude any party from substantial representation.

Nor did these bodies lack in substantial legislative powers, powers sufficient to assure control if sagaciously used, and far more than the powers that had been the basis of English liberty. In all but Russia, and partially even there, they had control of taxation and appropriations, a power which ultimately controls all others. Yet in none of these countries was this power really exercised, and in all the will of the monarch prevailed. They were not democratic.

The reason varied in different countries. In Austria the fault lay less in the assertion of the monarch than in the incompetence of the Parliament. Parliament was privileged to legislate, but too much divided by race feuds to be able to do so. Deadlocks became habitual and only the intervention of the Emperor could break them. It is not clear that this intervention was unnecessarily or voluntarily exercised. There were things that had to be done, and if Parliament did not do them the Emperor must. This kept the imperial prerogative alive and gave a possibly undeserved impression of autocratic tyranny. But it made the Emperor the ultimate authority. Austria was not democratic.

In Germany the fault lay more with the monarch, a tenacious and forceful defender of monarchical privilege. There were no serious race feuds and the Reichstag was not incompetent to legislate. But when the desired appropriations were withheld the ministers did not give



place to others as in England, but resting upon the will of the monarch they stood their ground and badgered the Reichstag or its successor into submission. It was a hampered autocracy but not a democracy. Much is made of the technical fact that the ministers were responsible to the monarch and not to Parliament. The difference is not in the technicality. The simple fact is that in England the ministers have gotten into the habit of surrendering when Parliament takes issue with them, while in Germany the Reichstag has not forced that habit upon them. The assertiveness of the monarch, the prestige of the first great Chancellor, and the habit of the people may all be invoked to explain the fact, but the result was autocracy, not democracy. In no country was the divine sanction and origin of government so uncompromisingly asserted as in Germany before the war.

Russia was avowedly autocratic and the recently created Duma had very limited powers of legislation and control, and was based on a narrow electorate. This limitation was in a measure offset, however, by the lenient temper of the monarch, and Russia, despite the rudimentary character of her representative institutions, was, in both her local institutions and her development at the top, more nearly democratic than either of the great central empires. But democracy was, after all, far from being a realized fact or even a recognized principle.

Japan was in theory the most autocratic of all, for her ruler purported to be of divine origin and emperor worship was the cult of the realm. Furthermore the Japanese Parliament, though genuinely representative and exercising important powers, did not determine government policy. This was nominally determined by the Emperor alone, but actually by the Elder Statesmen,



certain unofficial and irresponsible advisers of the throne. The most auspicious fact from a democratic standpoint was the apparently liberal spirit of the present Emperor and his sympathy with popular institutions.

In all these countries therefore, covering the largest land area of the globe and containing a population of nearly four hundred millions, democracy was still unrecognized before the war. In all of them there existed representative institutions more or less highly developed and exercising an important influence on the course of affairs. But in all of them these institutions were subservient to the monarchy which claimed the right and, to a degree, exercised the right of final determination. In all of them the monarch claimed with more or less assertiveness the divine warrant for his authority.

In all of these countries the war has reversed this situation. In Germany and Austria the change seems to have been complete. Monarchy has been overthrown, monarchs expelled, and democracy in some form officially established. The change may be trifling in practice but it is complete in principle. In Russia the change is still more overwhelming. Monarchy has been tragically extirpated and revolution has been carried to the verge of chaos. It is true that the present régime spurns the name democracy, and in the higher sense is a monstrous perversion of that principle. But divinely ordained government,—nowhere so devoutly accepted as in Russia,—has given way to man-made government.

Finally Japan, though seemingly untouched by revolution and unconscious of modification, has for the first time secured a ministry essentially determined by Parliament and not dictated by the Elder Statesmen.

Broadly speaking, democracy has conquered the

world. The peoples that still cling to heaven-appointed rulers and entrust to them the determination of their affairs are negligible. The world over, men have decided to institute government over themselves and have accepted its dread responsibilities. The immediate result is not happy. Men are as yet ill able to spare the fear of the gods. But the change is inevitable. Hope lies in its furtherance and completion.

## CHAPTER XXIV

### EQUALITY

DEMOCRACY is not equality, but the two are Siamese twins. Though they are entirely distinct propositions, the one seems, in fact, always to follow closely upon the other. There is nothing in the idea of government by the people to imply that men are equal or that they should have equal privilege or influence in determining government policy. The founders of the Republic assumed quite the contrary and strove by many ingenious devices to give the direction of affairs to men of exceptional ability. While neither these nor subsequent devices have availed to accomplish the purpose, it is hardly necessary to add that all practical governments take large account of the inequalities of men and that peoples are chiefly concerned to find men of the right quality for their various purposes. We sometimes say that anybody can be President. In fact, only a very unusual man can be elected to that important position. Democratic governments like all others are based quite as much upon inequality as upon equality among men.

But we never get far with democracy before the demand for equality is heard, and this demand is apt to go to great lengths, both in its concrete proposals and in its philosophical generalizations. This is especially true if democracy is established by violent and spectacular methods which prompt men to speculative thought and upset their old habits of deference. Thus the French

Revolution, besides overthrowing autocracy and effecting many practical reforms, developed a passion for equality, often in quite unpractical and fantastic forms. Not only were the privileges of the nobility withdrawn, but all titles and outward signs of inequality, even the most harmless, were abolished. People addressed one another simply as citizen, soon shortened to "cit," a custom which certain enthusiasts of the following of Thomas Jefferson for a time introduced into our country. The dress coat of the higher classes, with the skirt split behind and cut away in front as a riding habit, was assigned to table waiters who have ever since retained it. Many of these changes were made from petty motives with a view to humiliating the objects of popular displeasure, but through it all ran the general purpose of stamping out the inequalities among men. Equality had become an obsession.

One of the most singular manifestations of this passion for equality was the conspiracy of Baboeuf. He elevated the doctrine of equality to a cult, organizing for it a priesthood and reserving to himself, with unconscious inconsistency, the office of high priest. With great emphasis he makes the solemn declaration that "*equality is happiness*"; not a condition of happiness, it will be noted, but the essence of happiness itself. Of course human experience offers no warrant for any such assertion. We are all of us conscious of having equals here and there, but we experience no especial delight in that consciousness, while all of us have perhaps experienced the happiest moments of our lives in relation to persons whom we revered as our superiors. Baboeuf was simply generalizing extravagantly from the satisfaction briefly experienced from the abolition of privilege and the

gratification of class jealousy. His attempt to realize his ideal by political means cost him his life, but his fantastic philosophy survived for a time in the minds of his followers.

In countries where the introduction of self-government has been more gradual and unconscious, the demand for equality has been less of a craze but it has been as clearly present. Our own action was much influenced by the example of France whom we followed in abolishing titles of nobility, but there was little in our situation or social organization to call for a passionate crusade. In Great Britain, where changes are always more gradual and unconscious and the practical sense of whose people is much more inclined to emphasize essentials, titles of nobility have never been abolished and the withdrawal of privilege has been more gradual and less complete. But the demand for equality has not been less importunate or the practical achievements less substantial.

In all countries, therefore, democracy in practise connotes equality. That equality is not based on any real equality of men, nor is it a logical corollary of democracy. It seems rather to be a product of initial conditions and a concession to the difficulties of practical organization.

As regards the initial conditions, it is to be remembered that democracy usually begins with the overthrow of the earlier régime. This is a leveling process which puts down the mighty from their seat and exalts them of low degree. A régime thus overthrown is apt to be effete, its exalted ones weaklings, and its distinctions artificial. The overthrow reveals all this and easily suggests the idea that all distinctions are artificial and illegitimate. Effete distinctions always seem to invalidate all distinctions and so to warrant the assumption of equality. The

fact that the revolutionary party is itself recognizing distinctions among men and laying the foundations of a new system based on inequality is not at first apparent and does not disturb these sweeping generalizations. Revolutions are nearly always egalitarian in their sympathies.

But a more serious and permanent force making for equality in democratic systems is the practical difficulty of recognizing human inequalities. The ideal thing would clearly be to give men a place and influence in government proportioned to their ability and character. This indeed is the principle that the opponents of equality are always trying with more or less sincerity to establish. Theoretically they have the better of the argument. The assumption of equality is palpably false to the facts of life. The majority of men have only the most rudimentary idea of the problems of government. Serious knowledge is the possession of very few. There is little reason to expect that this condition will change. The intelligence of all will increase, but the few will always keep ahead of the many. The ideal system must seemingly take account of these permanent differences.

But it is simply impossible to do so. If we chose our representatives as the Spartans chose their kings, by physical prowess, some test might conceivably be devised which would measure men for our purpose. Perhaps single intellectual faculties might also be measured. But any general sizing up of men with reference to their physical, intellectual, and moral availability is a problem so complex as utterly to defy definition. Any attempt, therefore, to recognize these differences and base a social system upon them, soon works out in the same old way, a system of artificial distinctions and unearned privilege,



with advantage to the self-seeking and unscrupulous rather than to society.

Moreover, if it were possible to classify men ever so successfully on the basis of their availability for social purposes, they would not accept the classification. There is nothing so unwelcome to most men as to have the truth uncompromisingly recognized about themselves. There is a large element of diplomatic silence in all practical arrangements among men. We can put up with much in the way of inferiority and limitation if we are not reminded of it. But to define and advertise our inferiority is another matter.

An amusing illustration of this sensitiveness comes to us from a related field. The Peace Conference at Paris in its earlier discussions of the League of Nations is said to have considered the project of classifying the nations into three groups of great, medium, and small powers, — a classification obviously warranted by facts. But certain powers assigned to the third group at once objected, demanding a place, — not in the middle group, — but in the group of *the great powers*. They simply would not play unless this claim was recognized. Hence the inevitable decision to abandon all classifications and to base at least the chief organ of the League on the preposterous assumption of equality.

This perfectly illustrates the problem which confronts democracy. It recognizes the principle of equality, not because it is ideally just, but because men are not wise enough or generous enough or honest enough to recognize the facts of life. A League of Nations based on the assumption of equality is monstrous, but no other is possible. Yet equally, it is impossible to take this assumption of equality altogether seriously. To give to

Nicaragua or Liberia an actual equality of influence with the United States in the determination of world affairs would provoke derision and would, in fact, destroy the very basis of civilization. Hence the inevitable compensating devices which recognize inequalities and save us from the disasters of an unreal equality. The success of the League will depend largely upon the wisdom with which this compromise between nominal equality and real inequality is effected.

So with democracies. Men are not willing to accept a true rating of themselves, nor are they able to make a true rating of one another. Any attempt to do so arouses an opposition that ultimately insures its failure. Equality is the only alternative. Yet equality in turn rests upon a fiction, and any system based upon actual equality would be so monstrous as to insure prompt rejection. There never has been and never can be actual equality among men. This is the teaching, not only of social experience but of biologic evolution reaching clear back to life's beginnings. Inequality is the basic fact in nature, the premise of biologic as of social evolution. The assumption of equality is a fiction, a matter of political, social, or economic expediency, as the case may be. It is adopted in the democratic state as it is adopted in the labor union, not because it corresponds to basic facts, but because basic facts are too much for us. It is not the less important or legitimate on that account. But it is important to recognize that we are dealing with a matter of expediency and not of inherent right.

Our problem is therefore to revise once more the everlasting compromise between equality and inequality. This crisis, like all those upheavals that upset social arrangements and rouse the spirit of inquiry and protest,

renews the demand for equality. That is always the inchoate program of revolution. The new demand takes every form from reasonableness to absurdity. Witness among the latter the recent demand of the Boston Cigar Maker's Union that they be given a six hour day and a dollar an hour, and that the President of the United States be given the same hours and salary. It is these demands that we are called upon to arbitrate.

The most legitimate of all equalities is that known as "equality before the law." This simply means impartiality in the administration of justice and the protection of the law. It is an obvious condition of good government, whether autocratic or democratic, but it is obviously more a corollary of the latter than of the former. Autocratic partiality is obnoxious, but not quite clearly inconsistent. Democratic partiality, however, is plainly a contradiction in terms. All democracies, therefore, acknowledge the principle of equality before the law, though with very finite degrees of application.

It is to be noted, however, that equality before the law does not tend to make men equal. Equal treatment of unequal men leaves them unequal. It may even confirm and emphasize their inequality, and changes in the law are sometimes sought to prevent this tendency. Such was the proposal of Mr. Taft that the right of appeal should be withdrawn in law suits involving small amounts. This was urged openly in the interest of the person of limited means on the ground that rich litigants used the appeal to tire out the poorer claimant. The proposal left the principle of equality before the law nominally intact, but it was in effect a proposal to shield the poor man's suit from the badgering possibilities of appeal and thus to prevent equality before the law from

increasing the inequalities among men. The framer of legislation has constantly to be on his guard against this tendency of the cherished principle of equality to create actual inequality.

Much less obvious is the right of men to equality of political privilege, the privilege of making the laws and determining the policy of government. This means primarily the ballot and secondarily eligibility to office. Men are clearly unequal in their competency for these functions, and democracies have been slow to accord them equal privilege. Yet the tendency has been all that way. Even before the war, nearly all civilized states had admitted the principle of universal male suffrage. There were property qualifications in Russia, Prussia, Hungary, Japan, and some lesser states, but they were mostly moderate or discredited. Educational qualifications were negligible. Other limitations existed like plural voting in England and Belgium. More noteworthy was the exclusion, still general, of women from the ballot.

In this, as in so many other matters, the war has merely anticipated seemingly inevitable results. Substantially, all remaining restrictions have been swept away and the governments of the world are virtually all on the basis of universal suffrage of both sexes. How far the movement is due to conviction and how far to political exigencies it is impossible to determine. In its earlier stages both these influences were clearly present. There were those who believed in the right and the ability of the disfranchised to participate in the functions of government. And there were those who saw an opportunity to secure personal or party advantages by seeking allies from without. The enfranchisement of the inexperienced necessarily subjects political institutions to an unwonted strain.

That strain will be least in our own country where enfranchisement is extended only to a co-ordinate and culturally equal sex. In countries where the extension is downward as well as lateral the result must be awaited with far greater misgivings, especially in view of the sudden and sweeping character of the change.

Eligibility to office naturally follows the suffrage. Restrictions in the matter of age and residence are usually the only ones attempted. In rare cases, as in that of President of the United States, native birth is required. But the far more important requirements of character, ability, and adaptation are necessarily left to the special occasion. But here again the pressure of equality is noticeable. Not everyone can hold office, but there is plain insistence that eligibility shall be really equal, or more exactly, there is an effort on the part of every class and condition to maintain its own eligibility. The mere suspicion that highbrow qualifications are being insisted upon will bring out a candidacy of protest. Similarly, the insistence upon rotation in office and the geographical distribution of appointments has the same implication,—a jealous assertion of the approximate equality of men in all that concerns government.

It must be clear to all that equality of political privilege is far more artificial and far more dubious in its expediency than equality before the law. Its application to the ballot, however inevitable and expedient, is not without its serious dangers, and in certain situations may be quite impracticable. Equal eligibility to office is still more doubtful and can be recognized only with very great precautions. In short, the progressive application of the principle of equality leads us farther and farther away from the realities of life and on to more and more

dangerous ground. We are dealing with a principle of limited application, a principle whose justification rests, not in the facts of nature, but in the limitations of our intelligence, in short, a principle of expediency only. The demand of the present crisis as of every such crisis, is for a further application of this principle.

As regards the ballot this larger application is an accomplished fact. There can be little doubt of the expediency of this change. Psychological and social conditions permitted no other decision. But this is only the first of a series of changes proposed or under way, all looking, in the same direction, towards the more equal and direct participation of all citizens in the functions of government. These we have now to consider.



## CHAPTER XXV

### THE PLEBISCITE

By this term we may appropriately designate all references of political issues to popular vote. The principle is not new. It is, in fact, the original democratic principle as found in savage tribes, in the ancient city states, and in the New England town meeting. In these simpler forms of democracy the question to be decided was propounded orally, argued in open assembly, and decided by popular vote. It found its justification in the small area affected, the acquaintance of men with one another and with the issue, and the comparative simplicity of the questions at issue. Personal contact gave maximum opportunity for the ascendancy of strong minds, while general acquaintance gave little opportunity for the accomplishment of corrupt purposes. The citizens of Athens knew their little city and for the most part had personal knowledge of the local matters which came up for decision. In larger matters they were powerfully influenced by their leaders, wisely when they had a Themistocles or a Pericles, disastrously when they had a Cleon.

In Rome, this simple procedure was plainly inadequate simply because the interests involved became too extensive and men had no longer direct knowledge of men and issues. Hence the demagogue and the self-seeker found their opportunity. But Rome did not succeed in evolving a more adequate procedure. With the failure of her primitive democracy Rome took refuge in monarchy, at

least as regards the larger outlying interests. Even the election of officials became perfunctory and was determined by outside influences. The plebiscite no longer met the requirements of democracy.

With the Anglo-Saxon came representative government or democracy by delegation. When men can no longer come together or know the matters at issue, their obvious recourse is to select representatives, presumably of exceptional knowledge and ability, who can meet, discuss, and decide in their behalf and in much the old town meeting way. Hence the parliaments, congresses, and legislatures, with which we have all become familiar.

But these have not entirely done away with the plebiscite. There is first of all an element of the plebiscite in the election of representatives themselves. Candidates are usually forced to declare their attitude on issues and it is on these issues that they are elected. This is most marked in England where the election usually turns on a hotly contested issue. The representative is elected on the strength of his declaration rather than on that of his personal popularity. It has become more and more true in our own country. It was plainly the intention of the fathers that we should elect wise men as our representatives and leave them free to act according to their discretion. This we are less and less willing to do. We require a declaration on current issues and vote accordingly. This has its disadvantages. It means that we decide issues that we do not understand and that in advance of their full discussion. The representatives enter Congress bound and Congressional debates become largely stage play. No one expects representatives seriously to change their pre-election conclusions, however immature may be the popular conclusions which they

reflect. But wise or not, it is the spirit of the age. We have opinions, if not understanding, and are imperious in our demand that action be according.

Nor has the formal plebiscite wholly disappeared. America is the home of the written constitution, a body of law underlying and controlling the action of legislatures. Obviously this law can not be the work of the legislatures or it would not control them. There are but two other possible sources. It must be the work of some other representative body, or the direct work of the people themselves. The framers of our government were plainly in favor of the former method. The constitution of the United States was wholly the work of conventions. It was framed by a convention and was adopted by conventions in the several States. For its amendment they prescribed either conventions or the federal and state legislatures, the former to propose and the latter to ratify. They did not permit the option, now so popular, of reference to a plebiscite. Their provision for the election of Senators and President are further indications of their preference for representative bodies. The adoption of the Constitution by the several States seems to many to justify their feeling. One of the States, Rhode Island, refused to call a convention as requested, but referred the proposal to the people who rejected it by more than three to one. There can be but little doubt that the result would have been the same in most of the States if it had been so referred. As it was, the conventions gave opportunity for prolonged debate and inquiry with the result that they finally reached what seems to us to be the right decision.

But the drift has been steadily toward the plebiscite. All the States except Delaware ratify their constitutions

by popular vote, the convention used for formulation being called by the same authority. We have changed the election of Senators by constitutional amendment, another victory for the plebiscite. And we have changed the election of President without a constitutional amendment and to the same effect. Of the original system of electing the President, only the vicious feature of election by States with its occasional perversion of the popular will is retained. Amendments to the Federal Constitution can not be submitted to popular vote, but there is a widespread clamor for this privilege and it is likely to be secured by indirection. The courts have just decided that a plebiscite can annul a vote of the legislature. If this decision is sustained, a plebiscite can annul a vote of ratification, thus virtually securing to the plebiscite the valuable prerogative of controlling amendments to the Federal Constitution.

But this is not the most significant movement. In the States the constitution is not regarded as is the Federal Constitution. Conventions are used only to formulate, and both the calling of the convention and the ratification of its work is determined by popular vote. This means that the state constitution is the people's legislation. The result has been a constant enlargement of these instruments by the introduction of matters foreign to their original purpose. They were at first bodies of general rules on principles governing the elected organs of government. They are more and more becoming bodies of ordinary statute law dealing with exactly the same matters that legislatures are supposed to deal with. The people and the legislatures thus become rival legislative bodies, sometimes openly opposed to each other, the people of course holding the whip hand as regards

ultimate authority, while the legislature has the advantage in facility and in knowledge of the game.

This habit of using the state constitutions as a means of ordinary police legislation having once been formed, the process is quite naturally applied to the Federal Constitution as well. The most striking example is the prohibition amendment. I am wholly in sympathy with the purpose of that amendment, but the use of the Federal Constitution for the purpose of suppressing the liquor traffic is, to say the least, a regrettable necessity. The amendment prescribing the election of Senators and the proposed amendment granting the suffrage to women, are wholly appropriate to a constitution, for they prescribe the general rules that govern the formation of the organs of government. But the control of the liquor traffic is very clearly a matter pertaining to ordinary law — if indeed there is any longer a distinction between the two. This invocation of the Constitution to do the work of statute law, if not directly a plebiscite movement, is indicative of the one thing that is most significant in that movement, a distrust of legislative bodies and representative institutions. We are not satisfied to amend the Constitution so as to give Congress the power to suppress the liquor traffic. We are afraid that Congress will not do it, or that if it does, it will undo it. We want to make sure that it is done and will stay done. We choose the instrument that will accomplish our purpose. We do not stop to ask what will be the effect on the instrument.

The logical next step is the referendum. This may be inaugurated quite unobtrusively by the legislature referring a difficult question to a vote of the people, either for final determination if the organic law permits, or



for advice to the legislature which can then be guided by the popular expression. It might seem that legislatures would be unwilling thus to surrender or lessen their prerogative, and possibly that is at times their attitude, but they seem more often subservient than jealous. Considerations of re-election are usually paramount, and deference to the popular will, always in essence an obligation, is easily pushed to the limit of obsequiousness.

But the referendum does not stop with this voluntary deference on the part of the legislature. The next step is to make it mandatory, giving the people power to compel the resubmission of legislative measures to popular vote. This is done by petition, a specified number of signers being required to secure the reference. This arrangement being once effected, the legislature loses its option and all its acts, save possibly those of an emergency nature which may be reserved, are subject to popular review.

The curtailment of legislative power which this involves is obvious, but one great prerogative remains, that of initiating legislation. The people can annul legislative acts, but if in a given matter the legislature should take no positive action, the referendum alone would give the people no opportunity to act. There would be nothing for them to revise. If the people are to have any real control, they must plainly have the power of positive as well as of negative action. Hence the initiative becomes the logical sequel of the referendum. The method is again by petition. If a given law is desired, a bill is drafted and a petition circulated asking that the measure be referred to popular vote. If the specified number of signers is secured, the reference is mandatory, and a favorable votes makes it law. Conceivably an arrangement



might be made by which a measure so petitioned would be referred to the legislature, but there is little tendency that way. When the people have the power both to initiate and to enact legislation, they are little inclined to use the legislature as a helpless middle term. The initiative and referendum taken together simply eliminate the legislature altogether, except for emergency measures. It is in theory at least the re-establishment of plebiscite democracy. The old conditions of local knowledge and personal acquaintance do not exist, but they are in part compensated by the press and the manifold agencies for the diffusion of knowledge in our time.

Quite akin to this movement in the field of legislation, is the movement for direct primary and recall. The election of officers in a large country where men can not know one another has difficulties quite analogous to those attending legislation. Random individual choices would get nowhere. Hence the old-time preliminaries which narrow the choice down to a few designated candidates. This most important work, not being provided for in our original organic law, has developed its organs, our political parties, with their national and local organizations. Jealousy of these organizations and their more or less secret and irresponsible activities has again led to the introduction of plebiscite methods. The direct primary is simply a preliminary election in which the parties usually vote as such <sup>1</sup> and elect as their candidates those whom their own members prefer.

This again is supplemented by an arrangement for

<sup>1</sup> The difficulty of determining party allegiance has occasionally prompted the experiment of allowing free choice at the primaries. This results in outrageous abuses, the members of one party often determining the candidate of the other, and putting in their own man or an unpopular candidate whom they are sure of defeating.

initiative by petition which is almost a necessity of the system. If absolute freedom of choice were allowed, the result would too often be completely scattering and inconclusive. Inasmuch as a printed ballot is indispensable under modern conditions, a petition signed by a specified number of voters is necessary to get the aspirant's name on the ballot. This restricts the number within workable limits and opens the way to any candidate who would seemingly stand the slightest show of ultimate election. This system, in theory at least, eliminates the party organization as the referendum eliminates the legislature. It throws upon the press and other like agencies, as before, the responsibility for enlightening and focusing public opinion.

It is the logical sequence of this system that provision should be made, again by the ever serviceable petition, for independent candidates running without party endorsement. Such a candidate may be wholly an outsider or he may be a disappointed aspirant for party nomination. It not infrequently happens, for instance, that a party is rent by faction. Each faction will have its candidate for the party nomination. Whichever gets the nomination is sure to have a bolt from the ticket. The defeated faction will then get its candidate on the ballot by petition. The outsider may do the same. The tendency of the system is thus to multiply candidates and divide the final vote so that the office is won by a plurality, often a clear perversion of the popular will. This tendency has to be earnestly combated by organized effort through the press and other agencies.

The recall would seem to exhaust the possible applications of this plebiscite system. Once more the method is by petition. A petition signed by the requisite number

of voters, asking for the dismissal of a certain official, requires the calling of a special election on the subject. If the vote is against the official by the required majority, he must be removed and a successor elected. This is a drastic check upon the independence of official action. It has been much less widely adopted than the other forms of plebiscite control which we have noted, and is applied thus far, so far as I am aware, only to administrative officials. Its application to the judiciary, often urged, would put the finishing touches upon the system of plebiscite control.

The essence of all this is plainly the elimination of all intermediaries in government. It is comparable, in a way, to the movement for the elimination of the middleman in economic relations. It rests first and most indisputably upon the intermediary's abuse of his functions, upon his dishonesty and disloyalty to the popular will. It rests further upon the assumption that no intermediary is necessary, that the people are competent to pass upon the issues of government and can be trusted to have a due regard for their own interests. Underneath both these assumptions lies the deeper assumption, traceable in the entire controversy over democracy, that the problems of government are essentially moral rather than intellectual, and that our danger is from rascality rather than from incompetence. It is important that we examine somewhat carefully these assumptions.

## CHAPTER XXVI

### OREGON

OREGON is the plebiscite State of the Union. It will hardly object to being taken as an example of the working of the system which it has so conspicuously made its own. Nor can we in any other way so justly estimate the possibilities of the plebiscite as by studying it in its actual workings. Experience is never quite conclusive, but it is far more trustworthy than imagination. The experience of Oregon would not be exactly duplicated in another State, but it can hardly be doubted that the more marked tendencies of the system as here manifest would reappear in other American States.

A constitutional amendment, enacted in 1902, established the initiative and referendum, the details of which were determined by legislative enactment in the following year. A petition signed by eight per cent of the number of those who voted for a justice of the supreme court (usually a small vote) at the last election suffices to bring to popular vote any proposal for a law or a constitutional amendment,—a provision, it will be noticed, that obliterates all distinction between the constitution and ordinary law. Oregon has virtually no constitution. The text of the proposed measure must be exactly stated on the petition and no changes are permitted throughout the procedure. It will be noticed that this precludes the possibility of amendment, the process by which bills are usually matured for passage. If the

measure so presented receives a majority of the votes cast regarding it (no matter how small the vote) it becomes law. The governor has no right of veto.

The referendum is similar but easier. The legislature may refer a bill to popular vote on its own initiative; a privilege of which they are sometimes glad to avail themselves when the reaction upon their own political career is doubtful. It is a legal method of shifting responsibility. Failing such voluntary submission, a petition signed by five per cent of the same vote as before is sufficient to compel the referendum.

Oregon has also the direct primary law and the recall. The former began its career by a curious exploit which illustrates the possibilities of the situation. At that time United States Senators were still elected by the state legislatures. With the jealousy of the legislature which characterizes the whole movement, an attempt was made to nullify its prerogative, guaranteed though it was by the Federal Constitution. The direct primary law provided that the people should express their preference for senator, and also required candidates for the legislature to state whether they would abide by this popular choice. They naturally had little option and promised as a matter of course.

The State was strongly Republican, five sixths of the legislature being of that party, but the conservative elements in the party were opposed to the plebiscite movement. Hence, by a concerted movement they worked for the Democratic candidate for popular preference, feeling sure that the Republicans in the legislature would not feel that their pledge to respect the popular preference bound them to vote for a Democrat, and so the law would break down at the outset. In this they

miscalculated. A large number of the Republican legislators were committed to the plebiscite movement, either from conviction or because of its popularity in the State, and kept their promise, electing a Democrat who has represented this Republican State ever since. This clear encroachment of the plebiscite upon the domain reserved by the Federal Constitution might have had an interesting sequel had not the plebiscite principle been adopted soon after for all the States by amendment to the Federal Constitution.

The people of Oregon have not been unmindful of the fact that special effort is needed to explain the proposals for law and to arouse intelligent interest in them. It is therefore provided that the State shall mail to every voter whose address is known a pamphlet containing the text of the proposed law, to which anyone may add arguments for or against if he will pay the cost of the additional printing. The booklet thus distributed has rapidly increased in size. In 1908, only five years after the passage of the law, it contained 126 pages. Even so, however, considering the fact that it included a large number of measures, there was room for the barest synopsis of argument only.

The results of the experiment are most interesting. Some of these results were easily foreseen. Others came quite as a surprise. It is obvious, for instance, that the system enormously increases the requirements upon the conscientious voter. The election of men is a comparatively simple task. Ideal results are of course difficult to secure, but the burden involved in choosing is slight and the personal appeal is comparatively strong. To decide upon actual measures, however, covering a great variety of interests, many of them remote from the



voter's experience, is both a laborious and an uninspiring task. Thus in 1908, when nineteen measures were voted on, the ballot was two and a half feet long and required forty-one separate marks. The mere labor of voting was, of course, nothing compared with the labor of preparing to vote, which, even with the aid of a hundred and twenty-six page explanatory booklet, involved an unprecedented expenditure of energy. Yet four years later the number of measures had risen to thirty-six or about double that of 1908.

One result was that the voter soon learned to ignore most of these measures and confined his attention to the few in which he was especially interested. He could, in fact, do nothing else. Conceivably he might have been forced to mark his ballot throughout, but he could not have been forced to know how to mark it, which is after all the important thing. Society has little to gain from compelling a man to express an opinion when he has no opinion to express.

The danger constantly encountered with legislative bodies, namely, that special interests may exercise undue influence over legislation through persuasion, bribery, or other illegitimate means, reappears here in quite as serious a form. It is doubtless difficult to bribe the general electorate, but it is easy to influence the small number necessary to pass a given measure, trusting to the indifference and passivity of the opposition. One amendment to the constitution was carried by fifteen per cent of the registered voters of the State, most of the others not taking the pains to vote. The persistent advocacy of a measure by a single newspaper, all others being opposed or neutral, has sufficed to pass a measure.

Curious results follow from this attitude of indifference

to all but a few measures. Since a measure supported by the required petition must be submitted without modification, it sometimes happens that measures that are mutually destructive may appear upon the same ballot. Each receives the support of its sponsors and is mostly ignored by others, with the result that both measures pass. The situation is embarrassing for the courts and ludicrous for the State. To avoid this ridiculous result the word is now passed around: "When in doubt, vote no." The result has been that whereas there was a marked tendency at first to approve measures, the tendency now is to reject them.

This tendency is enhanced by the impossibility of amending a measure under consideration. Legislative bodies make a very large use of this privilege, thus correcting, enlarging, and safeguarding the measure till it often bears little resemblance to its original form. This, the most constructive part of the whole process of legislation, is seemingly impossible by any method at the disposal of the plebiscite. The result is that measures put through in their original form are apt to be crude and unsatisfactory, while other measures, often meritorious, are rejected because of defects of statement revealed by campaign discussion. Of the one hundred and sixty-nine measures thus far referred to popular vote, one hundred have been defeated. This is cited as showing the conservatism of the people. It is questionable whether it does not rather show the crudity of the mechanism. It is safe to say that if the right of amendment were withdrawn in legislative procedure, it would be difficult to pass any measure in an intelligent legislative body. Even laboriously elaborated peace treaties seem to require amendment or reservation.

But all these things are trifles compared with the one great result which seems to be the especial fruit of this system. It deters the people from performing their duty as citizens. The first year that Oregon voted under this system, seventy-two per cent of the registered voters availed themselves of their privilege. The next two years it was 71 per cent, then 68, 65, 60, 58, 69, 41, 32, 28. With a single exception the vote declined every year. The bills passed in the first year received the approval, on the average, of forty-seven per cent of the registered voters of the State. Those passed in the present year were put upon the statute books by seventeen per cent.

So much for the State, but in the chief centers where political activity is more pronounced the result is far worse. I was myself present in Portland this spring at an election of rather unusual interest. There was a shortage of school accommodations and a proposition was up for a bond issue to supply the urgent requirements. There was also an election of a member of the school board, following an exciting quarrel of long standing which seemed to have lined up the whole community. The papers gave large space to both issues for weeks beforehand, and earnest personal canvassing added to the interest. *And five per cent of the registered voters of Portland voted on the bond issue and six and two tenths per cent on the question of the school board.*

The people of Oregon are as public-spirited as any in the Union. But they have been asked to do things utterly beyond their powers. They are bewildered by the technical details of legislation about which they know nothing and are impressed with the futility of attempting to perform the required tasks. The yard long ballot

has none of the magnetism of a great personality. It is a weariness to the flesh and creates a revulsion of feeling which affects all political life.

An Oregon editor commenting on the facts mentioned above is scathing and sarcastic: "Thus, the Oregon system of Popular Government, adopted nearly twenty years ago in the hope that the people would take the trouble to rule, has degenerated in practice to a system whereby minorities amend the constitution and adopt laws.

"This degeneration, however, does not indicate that the people of Oregon are dissatisfied with the Oregon system. They are quite happy under it,—so happy they don't take the trouble to vote on the measures, but just let small, active minorities do the voting for them.

"And the majority of the people, when questioned, assert they would not go back to the old system of exclusively representative legislation. Even though representatives are elected by an actual majority vote, on the average representing more than fifty per cent of the registered vote, the people prefer to pass on important measures themselves in this indifferent way rather than leave the whole question to the judgment of the men the majority have voted into the legislature to represent them."

Perhaps the majority have this perverse preference as our disgusted editor asserts, but it is a regrettable feature of the system that we can never know what the majority prefers. Let us suppose that the ninety odd per cent of the citizens of Portland who refused to vote this spring were ever so out of conceit with the whole plebiscite system,—that system would have won if it had been an issue in that same election. They would have

been too disgusted to come out and vote against it. The small and active minority that uses the system can perpetuate it.

An incidental result of the system is the development of a class of professional petitioners who, for an appropriate consideration, will get the necessary signatures to any petition. They know the public and have their constituency. A bill thus initiated in an atmosphere of public apathy needs but a well organized minority support to become law, a result quite as easily accomplished and quite as inimical to the public interest as that of the bill lobbied through our legislatures. Nor can the effect upon the legislature of this withdrawal of its chief function be other than deleterious. These men upon whom the State must still depend for all measures that will not brook the delays of the plebiscite, find themselves discredited and belittled. They dwindle with their function. With this lessening of their caliber and their self-respect they are poorly fortified against corruption and are all too apt to find in dishonor a compensation for honor withheld.

Still another mischievous feature of the system is the annoying reappearance year after year of minority fads. There is a fad of this kind which appears each year upon the Oregon ballot. It is always beaten but never killed. It has an insignificant following, but as the vote of the State dwindles year by year, it is ever easier to secure the necessary eight per cent, and each year the rejected nostrum encumbers the dreary ballot. The purpose of this nagging policy is plain. The faddists who are active and persistent hope eventually to catch the voters napping. The worst of it is, there seems to be a good chance that they will do so. In a legislative body this is well-nigh



impossible. A minority fad like this, once its status was determined, would be presented perfunctorily each year by a complacent legislator, automatically referred to the appropriate committee, given brief and formal consideration, and killed by pigeonholing or adverse report. At this the faddists rave. They are denied a hearing. The "interests" have corrupted the legislature. They appeal unto Cæsar. They demand the referendum. There is a certain amount of truth in these accusations. The power of stifling legislation in its initial stages is abused. But its use to choke off fads and concentrate attention upon the more practical and necessary measures is the first condition of legislative efficiency. If the people only knew how much rubbish goes into the committee's wastebasket and how much crudity is elaborated into practical efficiency by their long deliberations, there would be less sympathy with the faddist's stampeding appeal. I am far from asserting that all who support the plebiscite are faddists, but I will venture the opinion that all faddists support the plebiscite. And they support it for the simple reason that the plebiscite has no winner, no wastebasket. Legislation thus encumbered becomes burdensome and hopelessly inefficient. With inefficiency comes apathy and the atrophy of political function. The plebiscite kills democracy.

The effect of the plebiscite as applied to the primaries is more difficult to estimate. Opinions differ as to whether it checks manipulation, though it undoubtedly transfers it to a different field. It seems clear, however, that it tends to multiply candidates, and results in minority rule. Less certain, but strongly asserted, is the tendency to mediocrity in the ultimate choice. Petty constituencies can push little men to the fore to divide



the vote and often to win by reason of this division. The able man is deterred by the lessened chance of election and by the lessened prestige of the office sought. The element of mere chance is increased.

The demand for the plebiscite system is due primarily to distrust of representative bodies, a distrust unquestionably largely justified. These bodies are rarely worthy of the great task committed to them. They are too subservient to outside interests, too subservient, alas, to the pettiness and selfishness of their own constituency, — a matter to blame ourselves for rather than them. But our representatives *are representative*. With all their limitations they are as good as we are, as wise as we are, as honest as we are. If they are sometimes worse they are often better. We gain nothing in moral dependableness by taking their task upon ourselves.

And we lose enormously in real capacity for the task. These men may be no better or abler than we are, but they do acquire a familiarity with the problems of government of which we know nothing. They at least have time for their work. They meet and discuss and investigate. They have libraries and assistants and experts at their disposal. They have committees for special inquiries and listen to the spokesmen of the public. Some of them, through long experience, acquire an invaluable skill in adapting law to our needs and our wishes. If they separate the wheat from the chaff in the political fads of the hour, it is one of the most valuable of their services. Their alleged deference to the "interests" is often but a necessary safeguard against the unreasoning jealousy of the public. They are bad enough, no doubt, largely because we insist that they represent our limitations as a condition of our favor. But even so, as experts for the

performance of an expert task, they leave us quite out of the running.

And that task was never so complex, never so utterly beyond the comprehension of the novice as now. All development steadily increases that complexity, steadily widens the gulf between the functions of government and the capacities of unspecialized men. The savage who sits in the war council and clangs his weapons in response to the chief's appeal is the one wholly competent democrat that history records. He understands the matter to which he gives his assent. Every farther step in evolution lessens his competency and makes him more dependent upon the specialist and the man of faculties trained for the task.

It is urged that plebiscite democracy educates men for their task. I confess I have scant patience with that claim. Doubtless plebiscite surgery would educate men in the rudiments of surgery, but who would pay the price? We do not want amateur surgery and not wanting it, I see little utility in educating men for it. There are tasks that are simple and so closely related to others of their kind which we are all of us called upon to perform that we may well practice them for the facility thus acquired. And there are other tasks that are specialized out of all relation to the simple and common tasks and the right doing of which is far more important than the reaction upon the doer. We are blind with our seeing eyes if we do not see that the maze of modern structure has put the technique of legislation into this latter class.

For these expert tasks the citizen must reserve only the right of general judgment. He must choose his experts and pass final judgment upon their work. Even

that will sufficiently tax his powers. To do the work itself will utterly transcend them.

The very meaning of representative government is government by the specialist. The necessity of the specialist was one of the causes that brought it into being and it is that need that perpetuates it. This form of government is wretchedly inefficient, largely because we will it so, but the cure for its faults lies not in its abandonment but in its more conscientious development. The most serious charge against plebiscite legislation is the fact that it leads us to disparage representative institutions and to continue our criminal neglect in choosing and judging our representatives. The outlook is not encouraging but there is no excuse for our mistaking the one path that leads out of the woods.

## CHAPTER XXVII

### THE EXPERT

REPRESENTATIVE government is the alternative to the plebiscite. This is merely the exercise of popular authority through the medium of representatives or agents.

There are several reasons for this indirect exercise of democratic authority. For one thing, it is a matter of convenience. When the territory is so large and the citizens so numerous that it is not feasible for all to assemble for political action, it is clearly a great saving of effort and time to send a few representatives to do the work of all. The smaller number, too, is a great advantage in the way of efficiency. If this were the only advantage of representative government — if the representatives were in no way better or more competent than the average citizen — the system would still be immensely preferable to the clumsy and expensive plebiscite.

But from the first it has been assumed that the representative would be in some way superior to the average citizen. Doubtless the original idea was that he would be a man of marked probity and sound judgment rather than a man of specialized knowledge and skill. That was the original idea of qualification for political functions, an idea quite consonant with the simple conditions of life in colonial days. Not only was life comparatively simple, but government was confined to the most general functions and dealt with few matters that were beyond the knowledge of the average intelligent citizen.

Insistence upon probity and good judgment met all requirements.

Much as conditions have since changed, these original requirements are still the all important thing. If our representatives have these qualities they will get the rest, or failing to get them, they will have prudent recourse to those who possess them. And failing these fundamentals of probity and good sense, other qualifications will work harm as easily as good. If, therefore, I devote no great space to insistence upon these requisites, it is not from any disparagement of them but from a sense of the futility of mere exhortation. Our representatives will inevitably reflect our own moral standards and character ideals. If we are selfish, provincial, and prejudiced, they will be so. To be sure, we all believe in morality and good sense, but it is by our selfishness and prejudice that we measure these qualities. The man of good sense is the man who favors our measures, however selfish and anti-social. To exhort to a wise choice under these circumstances is simply to urge men to lift themselves by their boot straps. When we are better citizens we shall have better representatives.

But representative government is more than a convenience, more than a government by superior citizens. It is also, and that increasingly, a government by experts. As a citizen, the representative reflects our own standards and ideas. As an expert, he embodies a special knowledge and skill which we do not possess. It is to this aspect of representative government that it will be profitable for us to direct our special attention.

The term expert has acquired unpleasant associations to certain minds. The term is constantly associated in public print with the undignified spectacles in our courts

where paid specialists on both sides are allowed to contradict each other and convert a simple judicial inquiry into a sort of unedifying gladiatorial show. The constant use of mercenary experts by officials under fire or by special interests having private ends to gain, has associated the term with the evasion of justice and the darkening of counsel. There is an instinctive dread, too, of this knowledge that we can not fathom and this skill that we can not match. I am afraid the term, government by experts, has a forbidding sound at first to many of us.

But all the same that is what representative government is in essence and must increasingly be, as the growing complexity of life puts its varied interests utterly beyond the comprehension of the unspecialized mind. This is the age of the expert. All the vital interests of life are committed to his keeping. The doctor, the lawyer, the captain of industry, the electrician, and the plumber are all experts. We could not do their work unless we chance to be specialized in their line. To reject the expert is unthinkable. The Russian soviet that, in a large hospital, made the director scrub man and the scrub man director, is a laughable suggestion of the impossibility of dispensing with the expert.

All this is perfectly plain in every domain except politics. No man thinks of being his own doctor or his own lawyer or his own architect, but we have not yet clearly grasped the idea that political functions require the expert. Fundamentally this seems to be due to a misconception of democracy. Democracy means government by the people. How can it mean government by experts? We should all participate in the functions of government. If they are too complicated, they must be simplified. We must "cut the red tape." The expert



is something sinister, bureaucratic, a doer of things in the dark.

This temper has been strikingly exemplified during the recent crisis. From our perfectly representative chief executive down to the country editor we have constantly inveighed against secret diplomacy. The far-reaching diplomatic organizations of Europe, even our own experts of the diplomatic profession, have been contemptuously ignored. Reliance was placed in "clarified common thought" with a non-expert as clarifier. The most intricate problem of technical statecraft that history records was referred to the adjudication of popular emotion. The result is one of the most pitiful fiascos of modern times. The court of popular appeal has proved perfectly competent to will the general end sought. It has been neither competent nor inclined to pass upon the means necessary to secure that end.

Diplomacy is no more secret or sinister than surgery. It is an expert application of the principle of negotiation and compromise to relations between nations. It has averted more wars than all the peace societies that ever existed. Its methods pass our comprehension as do those of the artist or the electrician. We should as freely recognize its place and permit its legitimate exercise. We may and should determine the general end to be sought. We may and should pass judgment upon the success with which that end has been attained. But it is both tragedy and farce for us to attempt to do the work. The man who replied, when asked if he could play the violin, that he didn't know, he thought so, he had never tried, was probably an American. Most of us can not learn to play the violin. The best we may hope is to know when it is well played.

I know the nervousness that is aroused by this assertion of the expert character of political functions. How shall we protect ourselves from these experts if we can not comprehend what they are doing? It is a real problem, this problem of responsibility, and one which is more or less inherent in all expert relations. Is not the physician sometimes suspected of making unnecessary calls in order to increase his fees? Does the bill of the plumber always command our immediate confidence? Is not the lawyer suspected of screening his profession behind unnecessary mystification? There is some ground for all these misgivings, no doubt, but none the less we do not feel entirely at the expert's mercy. A multitude of forces, some social, some professional, some governmental, hedge him about and constrain him to our service. Such an accountability on the part of experts in governmental service is naturally of the very highest importance. This is the problem to which we must in due time devote our careful attention. For the present we need only add that we must take long chances, if need be, to secure the service in question. We are nothing today without the expert. There can be no greater folly than that of attempting, in an age of experts, to organize a government with unspecialized men.

Broadly speaking, that is what we are still doing. Partly because of earlier tradition, partly because of perverted notions of the meaning of democracy, we still adhere substantially to our original practice of putting into the chief posts of every branch of the government men whose qualifications are general rather than technical. If these men remain long in the service they may acquire considerable proficiency. In rare cases they become expert. To a considerable extent they are supplemented by

experts in subordinate positions, a necessary condition of continuity of service. But when all is said, there can be no doubt that no advanced government makes so little use of expert ability as our own.

Despite the demonstrable weakness of this system, we view it with complacency. The system of specialized, professional civil service is stigmatized among us by the odious term, bureaucracy. The connotations of the word are derived almost wholly from corrupt autocratic countries, notably Russia, but we somehow assume that the odium thus attached applies to all forms of permanent, professional public service. England has a bureaucracy as much as Russia ever had, but it is perhaps the most admirable organ of government in the world, incorruptible and efficient, probably the greatest steadying force in the Empire. The effect of such a service, segregated of necessity from the vicissitudes of changing policy, is doubtless to mechanize the individual somewhat and to make him something of a political neutral, all of it by way of adaptation and not more deadening than most professional routine. The man is always somewhat sacrificed to the expert. But it is the condition of good government.

But it is in the field of legislation that the expert is most needed and least employed. The legislator is peculiarly our representative, our expert in the all important business of government. He is the agent through whom we determine the policy of society and guide its development. He is our expert in the formulation of rules for social procedure and in securing their enforcement.

Now there is a double sense in which this man needs to be an expert. The first is purely technical and, for our purpose, trivial. He needs to know about the

technique of framing laws and adapting them to the use of the courts. He should understand the relation of statute to organic law and so the limits of legislative action. And of course he must know a great deal about legislative procedure, the mere technique of his profession. In a general way, we may be said to provide for this need. Our legislators are nearly all lawyers, not always the most competent, but fitted, so far as profession goes, for their function.

But this is a bagatelle, merely the clerical requirement, as it were, of their function. The supreme need is that these men should understand the matters about which they legislate — that they should represent the actualities of society. This, I venture to say, a legislature filled with lawyers does not always do. They may be experts at drafting laws. They may be excellent and impartial citizens, but do they represent society and its actual, relevant interests? Would any people, even the wisest, and most virtuous, elect really expert representatives of vital interests with the method now in vogue and on the basis of the principle now accepted? I venture to doubt it.

The bicameral system which is an almost universal feature of representative government, is witness to the fact that society does not consist merely of individuals. Its structure is far more complex. Society is composed of individuals, much as the body is composed of cells. But as the cells are differentiated and united into organs having a distinctive character and function which determine the whole individual life, so the individuals in society are differentiated in feeling and habit and united into groups that we may not inappropriately call organs, and which are vital to the existence of society. The

statesman can no more deal with society as a mere assemblage of individuals than the physiologist or the physician can deal with the body as a mere assemblage of cells. He must deal with its organs. The social organs are far more transitory and changing than the organs of the body, for social evolution is in a much earlier stage and its results are less final and in their nature less permanent. But the analogy holds none the less. The social organs are all important in their time and place, and no political organization that ignores them has the slightest show of success.

The bicameral system is in principle a recognition of this dual character of society. The lower house represents individuals, the cells which are the basis of all social structure and into which the organs in their various transformations are continually being resolved. The upper house represents the organs. A revolution always attacks the upper house, because a revolution always means the destruction of effete organs. Of course the conviction always prevails at first that we are never again to have any organs and so need no upper house. Equality is the slogan of revolution. But the differentiation always reappears, new groups are formed and new organs develop. The problem of the statesmen is to recognize the living organs of the time and secure their proper representation by competent experts.

When such representative institutions as the British Parliament and its continental imitators came into existence there could be no question as to what the living organs of society were. They were the nobility and the clergy. We may have little sympathy with such organs now, but that has nothing to do with it. Two hundred years ago there could be no question as to the reality of



these organs of society and the importance of the functions which they performed. Hence the upper house was everywhere a house of lords, including "lords temporal and lords spiritual." This house was at first immensely more powerful than the lower house which represented the simple cellular tissue of undifferentiated humanity. It was the more powerful of the two in Germany five years ago. And the reason was that the organs that it represented were living and potent. It has everywhere lost its power, and that for the reason that the organs which it represents have ceased to be dominant in society.

Our Federal Congress was formed in recognition of this principle. The House of Representatives was to represent the people, as nearly as may be in proportion to numbers. What should the Senate represent? We had no nobility. We had discarded the clergy as a political organ. The great differentiation of a later time had scarcely begun. We were still a comparatively simple and homogeneous people. The one sub-group that loomed large was that of the States. To Virginians and New Yorkers there was a tremendous importance in that purely adventitious distinction which accident had bequeathed to them, and the preservation of the balance of power was to them the most vital of all issues. The large States wished only proportional and popular representation which would have assured their ascendancy. The small States wished equal representation by States, their only chance of influence. The bicameral system offered a chance for the inevitable compromise. The Senate should represent the States.

It is profoundly unfortunate that something more permanent could not have been found as the basis of this



second house. The States are now little more than matters of administrative convenience. We cross the line and neither know nor care where it is. Our country is America and our government is at Washington. The Senate today stands for nothing vital to the life of the nation or the consciousness of our people. Even such distinctiveness as the Senate acquired from its indirect election has disappeared. The Senate has become merely a second people's house with no other essential characteristic than that of disproportionate representation of the smaller as also of the newer and cruder States.

Yet the Senate has not lost influence with the loss of its alleged reason for existence. It is the more potent body of the two. The reason is chiefly that it has not clung to its constituency. It has accepted the popular mandate, the only one that retains vitality. Incidentally, it profits immensely by its smaller size which enables the individual to count for something. The House policy of increasing its membership at every redistribution, not in the interest of efficiency but to provide for the unemployed, is ruinous to its prestige and ultimate influence. Hence the practice of filling the Senate by promotion from the House, thus insuring to the Senate the benefit of larger experience and wider personal influence. Certain functions constitutionally reserved to the Senate have possibly added to its greater prestige.

The plain fact is that the Senate is displacing the House as the popular representative body, while the House is becoming a preparatory school for the Senate. A vote of the House nowhere impresses the public mind as the determining factor. We wait for the Senate to amend, and finally for the conference committee in which the decision pretty uniformly inclines to the Senate view.

Even money bills with regard to which the House is so jealous of its initial privilege, are more and more merely crudely sketched in the House and reserved, even consciously from the outset, for substantial elaboration and reconstruction in the Senate.

There is much of merit in this system. It is slow, and when we are in a hurry to put through some demand of passion or fad, we chafe under the obstructive methods of the Senate. Its longer tenure of office and its renewal by installments also makes it less responsive to sudden changes of popular sentiment. It is an efficient equilibrator to the rather jerky action of the House and of the people. The things that vex us most about the Senate are the best things about it.

But excellent as are many features of this arrangement, we should not be blind to the nature of the evolution that is going on. We are developing essentially a single body, a complex body representing the people. We are ignoring that which has been basic to all other systems of representative government, the representation of organs. It pleases us to assume that this is peculiarly democratic, that government should be aloof from all organs or other entities than mere individual men. But the assumption is a fiction. We are not aloof. Government is not uninfluenced. The organs which are the conspicuous product of social evolution, and never more so than in our own wonderful development, will not and should not be ignored. Representative government must represent the facts of social structure.

## CHAPTER XXVIII

### THE INTERESTS

ONCE more we begin with a tainted term. "The interests" are under social displeasure. To the minds of many who are prominent as spokesmen for the public, they represent the sum of all villainies. Why? Primarily because they will not let government alone. Denied all recognition as vital organs of society, they refuse to see in their insignificant representation as individuals a sufficient protection for interests that are much more the interests of society than their own. No possible organization of the railroad operator's vote could ever elect a Representative or a Senator who was expert in railroad affairs. Yet the railroads are the largest business in the world and as vital to the life of society as is the circulatory system to the life of the body. If Congress is to legislate on railroads, Congress should know something about railroads. There is need of experts who know something besides the technique of framing bills and committee procedure. So the railroad managers argue. And since their numbers count for nothing under the system of mere individual representation, they seek to influence legislation in other ways. The result is the lobby, the "third house," as it has been not inaptly called.

Now within limits, the lobby is perfectly legitimate. It is the chief business of legislative committees to give hearings to interests affected, and it is both legitimate

and desirable that those interests should be represented by experts who can present their claims intelligently. If we can find no better place for these experts than in this third house, then there are few things that would conduce more to the improvement of our legislation than a sympathetic recognition and careful regulation of the lobby. Somehow these interests must be heard, and the first condition of preventing their illegitimate influence is to recognize their legitimate influence. To brand the lobby as illegitimate will not eliminate it. It will only debase it.

I fear this is exactly what we have done. We have certainly had plenty of provocation for doing so. And in turn we have given reciprocal provocation for its abuse. Whatever the original provocation, the result is deplorable. The most legitimate interests in the world are allowed no regular and adequate representation, and they have sought compensation in clandestine influence and corruption. This is notorious, more especially in the legislatures of certain States where the corrupt control of corporate interests, particularly railroad interests, has at times been an open scandal. The clandestine nature of this influence has served to magnify it to the popular mind, and where one bribe was known, a score were imagined.

The result was that this predatory policy came to be regarded as the nature of corporate interests. To the popular mind "the interests" became self-interests, existing primarily to prey upon society. They were our natural enemies and the chief duty of the people's representatives was to protect us from their sinister activities. The railroads are again our best illustration. For thirty years we have been out gunning for the railroads. If they wanted something, that was reason enough why they

should not have it. To hold down their rates and force up their expenses and compel improvements in their service became our obsession. If someone pleaded for mercy and bankruptcy threatened, we were told that they were "playing 'possum," that they were concealing profits and hoodwinking the public. The discovery that the Denver and Rio Grande was bankrupt did not deter us. The Union Pacific was still making money. Our work was not yet done.

The worst of it was, there were cases to justify every one of these suspicions. The railroads had been guilty of outrageously predatory acts. As the controversy went on they learned to lie low and conceal the facts. They destroyed their moral credit quite as effectually as they destroyed their financial credit. And when they realized the folly of this and began to tell the truth, everybody thought they were lying.

It is all very unfortunate, but what is the remedy? Never mind who was originally to blame. The wildest of all wild goose chases is the attempt to locate the blame for misdeeds which are essentially the result of social misadjustments. Where is the misadjustment? What must we do?

The first thing is to recognize that "the interests" are our interests, and that they are as much a part of society as individuals are. In a sense they are a much more vital part. Society could spare almost any number of its individuals, but it could not spare its railroads, its rolling mills, or its packing houses. Great as is its obligation to protect our lives and insure our well-being, it is equally obligated to protect and further these vast organized activities upon which our lives and welfare depend. Everybody knows this, but almost everybody of late has been

forgetting it whenever the knowledge might have been useful. Whenever we have met an "interest" in the way, our impulse has been to hamstring it, even though it was carrying our burden for us. Probably this impulse will not at once yield to reason, but it will help if it has a little reason to yield to.

When we have gotten that far, it will be evident that interests which are vital to our existence and which need both protection and restraint, must have some sort of representation in our councils; not a mere individual to represent the individuals who chance to be employed in its service, but a representative in character, an expert who is competent to represent an institution, a social service, in its own character.

Let us make no mistake. Legitimate representation is the only alternative to illegitimate representation. We must give the interests power or they will take it. For in the last analysis, we are as much in their power as they in ours. Social outlawry means demoralization and the forfeiture of social allegiance.

I have used the railroads as my illustration and have thus far employed the term "interests" in its limited popular application. But it must not be assumed that the interests are confined to big business and capitalistic enterprises. Organized labor is the most conspicuous example in existence today of an interest that has become an organ and is entitled to expert representation in its own character. Education is another such interest. There are others equally remote from the type with which we began. How can these interests or organs find legitimate representation in our American government?

As usual, Britain, with her marvelous power of unconscious growth and adaptation of old organs to new



functions, gives us the most interesting examples. But nothing is easier than to mistake the real character and function of British institutions. No matter how much Britain may change the wine in the old bottles, she never changes the labels. It would disturb some people immensely if the labels were changed. They like to change with the times, but all in the restful conviction that things are "the same yesterday, today, and forever." Consciousness is the greatest enemy of adjustment, atrophy the one healthy and painless method of elimination. The recognition of this is the secret of British success — the failure to recognize it the chief cause of the relative failure of France.

But one result of this retention of the old label is that we can not easily get at the reality in British institutions. The label deceives us, and not us only, but even the British themselves. Probably I could spring no greater surprise upon the reader, American or British, than by adding that the most hopeful development of recent times, along the lines mentioned — albeit a very incomplete one — is found in the House of Lords.

The House of Commons is a body representing the people. The House of Lords was originally a body representing the nobility and clergy. Such in name it still is. Somewhere between six and seven hundred persons are entitled by rank to membership in this venerable house. But a visitor to the House of Parliament is immediately struck by the small size of the hall set apart for the use of the Lords. Not more than a quarter of the above number could possibly be crowded into it. As the building is of comparatively recent construction such a misfit seems strange.

It is common for both English and American democrats

to denounce the House of Lords as a mediæval survival totally unadapted to the needs of today. In proof, some unworthy representative of the class is cited as a sample of the privileged incompetents to whom Britain, hide-bound by tradition, entrusts her destinies. This is judging the wine by the label.

As a matter of fact, the House of Lords is not a large body of effete aristocrats but a small body of hand-picked experts who hardly have their equal in the world. It is true that several hundred persons who have no qualifications for government, have a legal right to a seat in the House of Lords, but more than a legal right is required for participation in the government of the British Empire. If these men were to claim their seat, it is true, no Sergeant-at-Arms would stop them, but the Englishman has other means of keeping such persons out. If one of these lords should take himself seriously and enter this solemn conclave against the judgment of his serious fellows, he would find in their British stare a sufficient deterrent. As a matter of fact, the non-political lord never thinks of making such a break. So true is this that when an English Prime Minister some years ago thought it well to emphasize the protest of the Lords to a certain measure and called them all to Parliament for the purpose, some could not find the room without the aid of guides. Even the famous act of 1911 on which their fate as a governing body depended, drew but 243, scarcely more than a third of the nominal membership, on its final vote.

The actual House of Lords consists, first, of a few hereditary peers who are statesmen by profession. They are almost invariably men of great ability who have prepared by long study, often by diplomatic or administrative

experience, and by previous service in the Commons. They are selected by their own temperament and winnowed by the freezing power of their associates. Though sometimes criticised for conservatism, they are rarely characterized as incompetent.

But more significant are the men of achievement who are advanced to the Lords in recognition of special attainments in particular lines of public utility. An English colonel, who arrests the advance of the tricolor on the upper Nile and restores peace to the distracted Sudan becomes Earl Kitchener and enters the Lords as a military expert. A scholar wins world recognition as a scientist and becomes Lord Kelvin, an expert physicist. A banker rises to the height of his profession and becomes Lord Avebury, an expert in finance. A poor Hebrew boy earns a competency, gets an education, becomes a lawyer and a leader at the bar, and he forthwith appears as Lord Reading, an expert on law. These are the men who make the real House of Lords.

It puzzles Americans sometimes to learn that Britain has no supreme court but that the House of Lords, a body not composed of lawyers, exercises this important and highly specialized function. The fact is that all cases of this nature which come before the House of Lords are referred automatically to a small group of legal experts, known as "law lords," who have won their seats as Lord Reading did. Technically, a banker or a physicist lord might vote on such a case, but it is interesting to think what would happen to the man who showed such effrontery. He would hardly do it twice.

It would be an exaggeration to say that this transformation of an ancient House of Lords into a house of technical experts representing modern national interests

was complete, or that the result was wholly satisfactory. It would be gratuitous to suggest that this is the only way or the best way to get such a body. We could not do it in that way here. No popularly elective body can ever be such a body of experts. It is a characteristic British procedure. It shocks an American or a Frenchman to see this lack of definition and precision. It is in fact a strength rather than a weakness, but a strength of which perhaps only the British people can make use.

But the need of expert representation of the great interests has been felt elsewhere if not supplied. The war, by its overthrow of the old régime in Germany, cut short what might have been an interesting experiment. The revision of the obsolete constitution of Prussia was under way and the proposal presented for consideration contained some interesting features. The lower house was to be of the usual popular representative type. The upper house, however, was to contain in addition to the hereditary nobility, "36 representatives of agriculture, 36 representatives of commerce and industry, 12 representatives of handicrafts, 16 representatives of the universities, 16 representatives of the Evangelical and Catholic churches, 36 burgomasters of large towns for the period of their office, 36 owners of hereditary estates, and 36 heads of large industrial and commercial establishments," besides others that we need not enumerate.

We need not consider whether these are wise selections or whether the numbers (the total was nearly or quite 1,000) were wisely determined. The important thing is to notice the principle adopted. The apparent thought was that only a few of this large membership would be present at most sessions, but that men would attend when

the case under consideration touched their specialty. A matter affecting the church or the universities would draw those delegations, but only a part of the heads of industrial and commercial establishments would think it worth their while to attend. Even so, however, no delegation would even approach a majority. On the other hand, there could be no excuse for a lobby. Men fully cognizant of the needs of all important interests would be present to give expert advice. Not only would every delegate be subject to the opinion of those representing other interests, but all would be subject to the will of the lower house where solidarity would inevitably be much greater. A body of experts as constituted would, in practice, lose the power of absolute veto as has the House of Lords. The final decision would rest with the popular body as it should. But the House of Experts would be immensely influential, and both by its knowledge and its *esprit de corps* would present a substantial bulwark against the legislative sabotage so constantly perpetrated in the name of government regulation. It is impossible to tell what would have been the outcome of this experiment, had it been tried, but from what I have seen of Prussia, I should have anticipated some interesting results. The scheme clearly recognizes a vital need, and has in it elements of great power.

Neither the British nor the Prussian schemes are applicable to America. We must work out the problem in our own way. I confess that neither our machinery nor our present temper encourages the hope that a solution is near. Appearances, to be sure, may be deceptive. The need may be more nearly provided for even here than the label would indicate. The development of the "third house" has gone steadily on with much elimination

of abuse and increase of efficiency. In this, as in our party system, the solution may lie in unofficial rather than in official development. This is not the place for a detailed inquiry into these matters.

But it is the place to insist upon the ends to be accomplished. We must cease our hostility to the great organs of public service. We must legitimize "the interests" and provide means for their systematic, expert representation in government. This provided, we must and can sternly repress that clandestine influence that we justly dread. We can not repress it in any other way.



## CHAPTER XXIX

### RESPONSIBILITY

RESPONSIBILITY is the complement of representation. If we are to delegate our powers to agents we must make sure that these agents represent us. This is perhaps the most difficult problem of democracy. It is difficult because of our inability to formulate our mandate to them, so that with the best of intentions real representation is often impossible. And it is still further difficult because the agent is liable to have purposes of his own which run counter to ours. He is not always loyal to our interests, and when he is, the path of loyalty is not always plain.

The difficulty is not lessened by the attitude of habitual distrust on the part of the public. If this attitude were one of intelligent watchfulness, nothing could be more conducive to responsible representation. It is nothing of the sort. Like all humans, we never look at home for the difficulty. We do not stop to ask whether we have stated our will clearly, or whether, indeed, we have any clear will to state. Conclusions reached after the event are made retroactive and the representative held accountable to them. Loyalty is always under suspicion and defection is habitually assumed to be conscious and moral rather than due to obscurity and defect of judgment. It is this attitude of habitual suspicion and reckless condemnation and aspersion of motive which more than anything else deters able men from entering our

service, and too often discourages them from serving us faithfully when they do. It is the same distrust which is chiefly responsible for the plebiscite with its implied condemnation of representative government.

The problem of responsibility is a serious one at the best, but its chief difficulty lies in our failure to define it. What do we wish our representatives to be loyal to? Much of our criticism and much of their difficulty is due to the fact that we have no clear notion of what we want them to do. We have never defined their mandate and, as always happens in such cases, we demand impossible and even contradictory things.

Running through all the various opinions on this subject, we may trace two contrasted theories of representation. The first is that the representative is a discretionary agent. We appoint him to act for us because we do not know how to act. We have not the time or facilities for collecting information or the experience and skill necessary to interpret it. We appoint him as an agent whose integrity and ability we can trust and whose knowledge and training qualify him for the expert task. Such an agent is necessarily, in a sense, a plenipotentiary for the time being. He must have discretionary powers.

The second theory is that the representative is an instructed agent. We determine his action and instruct him, both at the outset and from time to time as to what action we wish him to take. We use him simply as a convenience for expressing and recording our will and give him as little discretion as possible.

The founders of the Republic inclined, as we all know, toward the former of these theories. Our institutions bear the stamp of this conservative conception of popular judgment. Even so, this conservatism was a compromise.

There were those who would have allowed the representative an even larger discretion and reduced to a minimum the power of the people to dictate or interfere with his function.

But it is the second theory that has, in fact, come to prevail. The whole movement of democracy has been in the direction of limiting the representative's discretion and binding him by increasingly detailed instructions. Not only do we require him to commit himself during the campaign on the chief issues of the day, but by means of petitions, letters, telegrams, and above all through the press, we continue our instructions and importune him to do specific things. This is a piece with the movement for the plebiscite under the forms of representative government.

I believe this movement has gone too far and that by this encroachment of the plebiscite upon the prerogative of representative government, we are getting the evils of both systems with the advantages of neither. It is an ill-considered effort to hold our representatives responsible, and one which lessens both efficiency and responsibility. Of course, every practical system of government must be some kind of a compromise between the two principles. The representative can never have absolute freedom of action. Even the rule of the Czars was "autocracy tempered by assassination." On the other hand, no democracy can instruct its representative in everything. He must be allowed a certain freedom, and yet not too much. The golden mean must be determined by experiment in each case. My purpose here is to indicate what happens when we seek to control our representatives by undue dictation.

In the first place, men of ability will not accept positions

that allow them little freedom of action. Little jobs give us little men. It is notorious that this is the result of our system. If we compare the men in our municipal councils or in our state legislatures with the directors of private corporations who are charged with responsibilities not a tenth — perhaps not a hundredth — part as important, we can not but be struck with their inferiority. This is partly because the stockholders know better how to choose good men, but no amount of wisdom would secure good men if they had to work under constant, nagging instructions. We do not all of us like the great corporations, but we at least recognize that they are ably managed. The remark of a United States Senator already quoted that such a corporation would run the business of the government for two thirds the present cost, is significant. There are several reasons for this superior efficiency, but this is perhaps chief. The corporation gets better men to do its work and lets them alone in the doing of it. They are held responsible only for general results and are left free to choose the means necessary to secure them. Government and business have thus adopted opposite principles of procedure. There can be little question which has been the more successful.

Another difficulty with this detailed popular control is that it makes policy and procedure spasmodic and weak. The will of the people is a very capricious and uncertain thing. We are more or less subject to "brain storms," waves of feeling and opinion which are too violent and extreme to be permanent. If government follows these ups and downs it gets nowhere. If the Ship of State is to ride on an even keel, it must not toss on these surface waves, but must cut through them to the calmer water beneath.

Now it is precisely this that should be required of our representative and the liberty to do this should be granted to him. It is his duty to get beneath these fluctuations of surface opinion to the steadier and more constant purpose beneath. The man who does this is the statesman; the man who floats on the surface is the politician. It rests with us whether we shall have politicians or statesmen as our representatives. If we compel our legislators and administrators to "keep their ear to the ground" and listen to our whims and caprices instead of interpreting our enduring purpose, we shall get toadies and sycophants suited to the petty part that we assign to them. If we allow real liberty of action in matters of serious moment, we shall call to our service men worthy of the larger part.

There can be no question that we incline to the pettier choice. Tactics akin to terrorization are used to coerce our representatives into adopting brain-storm policies. The representative never renders a greater service than when he saves us from ourselves by resisting these perilous importunities. It takes a big man and a free man to do it, and it is the test of a great and free people to stand for it. The American people are undergoing such a test as these lines are written. Never has the brain storm been so incontinently aroused or the independence so needed. More important than any document that can be laid before our Senate is the question whether our Senate can be coerced and its liberty of action destroyed by the emotional clamor of multitudes who have never read the instrument whose ratification they demand.

Finally, this system, like the plebiscite in all its forms, tends inevitably to minority rule. If we ever get majority rule it is in the election of men. Even Oregon will vote for president, and senators and governors call out a pretty



general expression of opinion. The mandate may be vague and general, but it is the people's mandate. Not so these latter voices to which the chosen representatives are asked to listen. Active minorities, often composed of restless spirits and irresponsible agitators, make themselves spokesmen of the people without warrant and claim recognition according to the measure of their shouting. Beyond a doubt the art of the statesman must consist largely in interpreting public opinion by these uncertain and unregulated symptoms, but to appraise them at their true worth is to discount heavily their face value.

But for every liberty accorded to those who serve us they must give an account. This is the very essence of democratic government, the thing that distinguishes it from autocracy. If our representatives slip the leash and we fail to hold them to account, they cease to be representatives and become autocrats. The effectiveness with which they are held to account is the true measure of democracy. We are too apt to think of the election of these representatives as the distinguishing characteristic of democracy. The election amounts to very little unless we secure the subsequent control through accountability.

The management of a modern democratic state is much like that of a large industrial corporation. The stockholders meet at intervals, pass upon the most general matters of policy, and elect a board of directors to carry out the policy they have determined upon. The directors take the necessary steps to carry this policy into execution and appoint a managerial staff. The staff in turn appoints all the rest of the personnel — superintendents, foremen, and the like — and becomes responsible for their work. The foremen are responsible to the superintendents,



the superintendents to the managers, and the directors to the stockholders. In the lower ranks changes may be made at any time, but the managers and directors usually hold from one stockholders' meeting to another, simply because it is not feasible to act oftener. This is the simple and obviously effective principle of organization and management.

Democratic government follows this organization in the main. The people are the stockholders, the Congress or Parliament is the board of directors, and the Cabinet is the managerial staff from whom derives the vast personnel of administration. But the two great governments that concern us most, that of our own country and Britain, have each deviated from the simple scheme above described, but in very different ways, and with very different results as regards the vital element of responsibility.

The founders of our Republic were afraid to concentrate so much power and responsibility in a single group as our simple scheme implies. They feared that if the directors appointed the managers, they might appoint creatures of their own and by collusion with them repudiate their responsibility altogether and so establish an autocracy. There were some things in the conditions of the time to warrant the fear and some things in the model they were following to suggest their compromise. What they did was to have the stockholders elect both the directors and the managers, thus making each separately responsible to the stockholders. Or, to turn from our figure, they made both the Congress and the President dependent upon election by the people, the President, of course, forming his own Cabinet, or board of managers, and being the responsible head of the whole managerial body. In this way they sought to divide the

responsibility and thus make it difficult or impossible for the two to combine in order to overthrow the liberties of the people.

This aim, of course, has been realized. But they perhaps underestimated the need of close co-operation between the two and the possibility that bodies of independent origin might not get along well together. On the whole, the good sense of both has kept them fairly harmonious, but there have been exceptions, periods of strain and deadlock, sometimes prolonged and distressing. At such times the business of the country suffers and in great emergencies such deadlocks are a source of grave danger.

It is important to notice the effect of such deadlocks upon responsibility. We are passing through a minor crisis of this kind at the present time. The President, in pursuance of his undoubted constitutional right, has negotiated a treaty of the most urgent character. This treaty does not meet the approval of the Senators whose assent is required. The Senate refuses to ratify the treaty as it stands. The President refuses to admit any modification. We are not concerned to know which is in the right. The important thing is to note how this enables each party to escape responsibility. The President's supporters allege that he has proceeded according to prescribed form, that he has conscientiously negotiated such a treaty as he found possible and believed desirable, and that if it is not ratified the Senate will be responsible for the consequences. The Senate in turn alleges that they were not consulted, that their definite warning was ignored, and that in negotiating a treaty which he knew the Senate would not ratify the President assumed the grave responsibility for its failure. It is clear that

if the President and his associates were themselves dependent upon the Congress and responsible to it no such difference could occur. He would negotiate the kind of treaty that they wanted, and knowing that he must do so, he would take pains throughout the negotiation to know their opinion and would be guided by it. If he failed to do so, he would soon give place to another. But as it is we must wait till the next election and then elect both a new President and a new Congress and hope to get a pair that can work together. If we fail, then we must wait again for two years or maybe four, and then make another attempt. In plain words, our organization does not insure co-operation or responsibility, though the good sense of our people usually does.

The British government deviates from the simple plan previously stated but in a different, almost an opposite direction. Again we have the stockholders, the directors, and the management, that is, the people, the Parliament, and the Cabinet, or as this last is usually called, "The Government." But as it is the people who create the Parliament, so it is the Parliament that creates the Cabinet and whenever the Cabinet does not manage or govern satisfactorily, it is the Parliament that calls it to account. There is, therefore, never any doubt as to where the responsibility rests. If Britain does not get a satisfactory treaty, Parliament can not blame Lloyd-George or Lloyd-George the Parliament. Lloyd-George is Parliament's appointee and what he does is its doing. It is Parliament that the people will call to account at the next election.

But now comes in a modification which enormously increases the sensitiveness of responsibility.

The corporation changes its directors at the annual

meeting. It can not change them sooner unless they resign. So in our government. If we are dissatisfied with Congress or President, we change them at the expiry of their term of two, four, or six years. It sometimes seems a long time to wait, but we can not change them sooner unless they resign.

Britain can change any part of her government at any time she wishes. The House of Commons, the controlling element in the Parliament, is given to be sure, a tentative term of five years, but it must watch its step if it is to exist for the full period. But the rest have no fixed term. They serve during good behavior. Just as soon as the Cabinet, which is merely a sort of executive committee of Parliament appointed for the day-by-day management of the affairs of the realm, ceases to manage those affairs to the satisfaction of the Parliament, it gets a pertinent hint to that effect and forthwith resigns to be replaced by another that better represents the views of Parliament. This they usually do without hesitation.

But there is an alternative. The control is in a way reciprocal. It must be remembered that Parliament all this while acts in the name of the people to whom it owes its election. It therefore represents the mind of the people as it was on election day. But it may be that the people have changed their minds since election day and that Parliament no longer represents their will. If the Cabinet in such an emergency is convinced that this is the case, it may refuse to resign but may send the Parliament home and order a new election. If the new Parliament has the same view as the old one held, then the Cabinet can no longer refuse to resign but must give place to another, which represents the ascertained will of the people. But if the new Parliament shares the view of

the Cabinet, then the Cabinet remains. In either case, harmony is restored and co-operation becomes possible again. There is no chance of a deadlock, however the thing goes. Nor is there any chance that the government will very long be at variance with the will of the people. A loud murmur invariably leads to disturbance in government circles and a new election. The people do not have to wait two years or four years. The life of a Parliament may not exceed a few months or even weeks, while a Cabinet may be ousted in a few days by some great crisis which suddenly confronts the nation. It is the ideal of responsibility.

Let us see how that would work in our own country at the present moment when the Administration and Congress are in something like deadlock. It makes no difference what we may think of the issue. There are some things on which we are agreed. We want our government to express the people's will. If the people want the treaty ratified just as it was framed, then it ought to be ratified. And if they do not want it ratified, then it ought not to be ratified. And to this end we want all parts of our government to work in harmony, expressing our will.

Now whatever the final action of the Senate may be, there can be no doubt that it is at variance with President Wilson. This has been clear from the first, and in an effort to compel the acceptance of certain things to which they are known to object, he has sought to intertwine them with other things that can not be rejected, in a way to force their hand. He maintains stoutly that an overwhelming majority of the people are on his side, while the Senate is equally confident that it represents the popular will. Meanwhile, the partisans of both sides



rage impotently and accuse each other of playing politics, and there is perilous delay in restoring the peace of the world. What a pity there is not some way of settling it!

Now let us suppose that in the interval of treaty negotiation the British system had been introduced here. Mr. Wilson's demand for ratification would have forced the Senate to prompt action and presumable rejection of the treaty. Then Mr. Wilson would have to resign, or, if he had that assurance of popular support which he claims, he would dismiss Congress and order a new election. Candidates all over the country would declare themselves for or against the treaty, and the election would settle the controversy. As we recall the history of the last fifty years, we note many cases where a paralyzing deadlock would have been relieved by this privilege of Congressional control or appeal to the people. Our system is based on the principle of a definite term of service with the popular verdict at the end of the term, usually when the crisis is past. The British system is based on the indeterminate term with the people's verdict at the moment of the crisis. There can be no question as to which best realizes the ideal of popular government.

But there is much question as to which best fits the circumstances of a given people. A people that votes upon issues directly and at the critical moment, must have a level head. The British system has produced marvelous results in the hands of the British people. It has nowhere else been very successful. If a hot-headed people is given the power to overturn its government, it is likely to keep on overturning until no continued or consistent policy is possible. The most serious defeat that France has known since Sedan was in a parliamentary duel with Britain in which each used the same parliamentary system,



the one coolly and to its immense advantage and the other rashly to its undoing.

It is needless to say that no far-reaching constitutional changes are proposed as the result of this discussion. Such a proposal would be chimerical. If our Constitution were being framed today we should unquestionably adopt features of the British system with a view to greater unity, power, and responsibility. But our Constitution was framed long ago and its value consists largely in our veneration for it. No improvement which revision could effect could compensate for the loss of that prestige which time has created.

But there are many matters in which we still have a choice and may choose for better or for worse. The present crisis furnishes such an example. In the matter of treaties the Constitution prescribes joint action. It is not only possible but it is traditional in this connection to apply in essence the British principle. What was there to prevent in this case the appointment of a peace commission which would command the confidence of that body which must eventually pass upon its work? Such has hitherto been the practice. Such must be the practice if the prescribed joint action is to be harmonious and constructive. The reply will be made that such a commission would not have represented the President's views. Possibly, but whose views is it, that democratic government is supposed to represent? There can be no doubt that the President was within his constitutional rights in doing as he did. There can be just as little doubt that the road to true democracy lay the other way.

This, then, is our first conclusion, that such discretionary powers — and there are many of them — should be used in the spirit of deference to our representative

bodies and not in subservience to an individual will or personal preference. We can not get this by constitutional amendments, nor would it be well if we could. There is no amendment or law requiring the British Cabinet to resign when its policy is disapproved. It has simply formed the habit of doing so, and that habit is now more binding than law. Public opinion must force the formation of such habits with us. On this point we must be pitiless and non-partisan. Those who approve the exercise of arbitrary power because it happens to be in the interest of measures that they desire to have passed, are betraying the good of all time for the fancied good of the moment.

I can not myself see why this principle of deference to our representative bodies should not be carried to the extent of giving to our Cabinet both a power and a responsibility which it has wholly lost. The tradition was early established of giving the President absolute discretion in appointing his Cabinet. Ratification by the Senate became a matter of form. The result is that these members became his subordinates, not his colleagues, and his will determines all questions of policy. They are responsible to him and may be wholly unsatisfactory to both Congress and the people. What would have happened had either Congress or the people had its say regarding the present Cabinet during the last four years?

It is entirely within the range of possibility, however improbable, that a President should send his nominations to the Senate with a comment like this: "The following are nominated with the understanding that they will hold the positions assigned so long as they retain the confidence of Congress. If that confidence is clearly forfeited, they will give place to others." This would

be the beginning of a new habit, a habit revolutionary in its ultimate consequences and wholly in the interest of government "of the people, by the people, and for the people."

But our study suggests another lesson which is more pertinent and more important. For this larger democracy and this more complete control, we have need of a larger loyalty and a more intelligent citizenship. If we chafe under the exercise of arbitrary power and the inability of the popular will to prevail, are we sure that it is entitled to prevail? Has not the tardy response to the popular will sometimes saved us from ourselves? We clamor for the acceptance or the rejection of the treaty. Have we read it? Do we understand such matters? Are we willing to give the time and patience necessary for their understanding? Or, if we flout such precautions and demand deference to our wilfulness and prejudice, are we reconciled to the possible triumph of the wilfulness and prejudice of our opponents? Are we fit to govern America, fit for the leadership of the world? Are we ready for the American Era?

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